

CITY OF SOUTH JORDAN
STATE OF UTAH

Comprehensive Annual Financial Report
For the Year Ended June 30, 2007

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City of South Jordan, Division of Finance

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CITY OF SOUTH JORDAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION



Mayor-William Kent Money
Council Member-Brian C. Butters
Council Member-David W. Colton
Council Member-Bradley G. Marlor
Council Member-Larry Short
Council Member-Leona Winger



City Manager-Ricky A. Horst

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December 31, 2007
The Honorable Mayor and
Members of the City Council
South Jordan City, Utah

Re: Finance Officer's transmittal letter and report on financial statements.

The Comprehensive Annual Financial Report (CAFR) of the City of South Jordan (the City) for the fiscal year ended June 30, 2007, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require the City issue a report on its financial position and activity, and this report be annually audited by an independent firm of certified public accountants. We believe the information, as presented, is accurate in all material aspects, and is presented in a manner designed to set forth fairly, in all material respects, the financial position and results of operations of the City as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the City's financial affairs have been included.

This CAFR has been prepared by the City of South Jordan Finance Division. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The financial reporting entity (the City) includes all of the funds of the primary government (i.e., the City as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the South Jordan Redevelopment Agency and Municipal Building Authority are reported in this CAFR as a special revenue fund and a capital project fund, respectively.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

Governmental Structure

Under the city manager form of government, by ordinance, legislative powers are vested in a governing body, consisting of a Mayor and five members of a City Council. The government is empowered to levy a property tax on both real and personal property located within its boundaries. The Council Members are elected by district and serve staggered four-year terms. They are assisted by a City Manager who is responsible for establishing and implementing City policies, carrying out the ordinances of the City Council, and overseeing the day-to-day operations of the government.

The City provides the full range of municipal services normally associated with a municipality. In brief, the general governmental functions include police and fire protection; park construction and maintenance; street construction and maintenance; public improvements; engineering; building inspection; planning and zoning; and administrative services. The City also operates water distribution and waste collection as enterprise funds.

Economic Condition and Outlook

The City of South Jordan, incorporated in 1935, is located in the southern part of the Salt Lake Valley. The City is a rapidly growing suburban community encompassing 21.8 square miles. The City's population is approximately 48,340 as of June 30, 2007. South Jordan's population has increased 64% since the year 2000. We anticipate the population in South Jordan will continue to increase at a rapid rate.

The added population has placed increased demands on services, but the City has adopted a conservative approach to the expansion of various public services. The general philosophy of the City is that increased revenues from existing taxes and other revenue sources must provide the base for the expansion of public expenditures. As demonstrated over the past several years, the City is committed to this philosophy.

Following statewide trends, South Jordan experienced significant, positive economic growth during FY 2006-2007. The City's sales tax revenues increased in excess of 31 percent from the previous year. This statistic is indicative of the City's efforts to expand its sales tax base. Ongoing expansion of the City's population and sales tax base, is expected to continue to increase for the foreseeable future.

MAJOR INITIATIVES

Long-Term Financial Plan. The City of South Jordan has put great effort over the past year in developing a long-term financial planning tool, which will address the long-term needs of the City. The objective of this plan is to provide a road map, which will assist the City's transition from its current stage of high growth to its eventual status as a more fully developed City. The overriding theme of this plan is sustainability.

The plan was put together by the Mayor and City Council, City management, and the City's finance department. The plan makes projections of tax revenues, capital expenditures, and debt service for the next twenty years. However, this plan goes farther than simply projecting revenues and expenditures. Targets have been set for what levels of property tax, sales tax, and other revenues will be necessary for long-term stability. We are also analyzing the City's current land use and zoning issues to evaluate the credibility of our assumptions. We believe this plan will be invaluable to us as a budgeting and strategic planning tool.

Capital Projects. The City's Staff, following specific directives of the City Council and Mayor, have been involved in a variety of projects throughout the year. These projects reflect the City's commitment to ensuring that the citizens of South Jordan are able to live and work in a desirable environment. During FY 2006-07, the City had several significant projects. Some of these projects are listed below:

1. Culinary Water System. The City is currently working on a multi-year project to make improvements and add capacity to the City's culinary water system. In order to fund these improvements, the City is using a combination of debt, water rates, and impact fees.
2. Public Safety Building. During FY 2006-2007, the City acquired land for the construction of a Public Safety Building. This new building will allow the City to continue to service the City's growing police force in order to maintain the high quality of life enjoyed in South Jordan. Preliminary design work was performed during the previous year. We anticipate construction to begin during late summer of 2008.
3. Municipal Services Building. The City has also begun construction of a new Municipal Services building. This building will replace the current, antiquated structure. The new building will house the City's Water, Sanitation, Storm Drain, Fleet and a portion of the City's Parks department.
4. Animal Control Building. Construction has begun on a state of the art animal control facility. The building will cost just over \$1.5 million to construct and is anticipated to open early in 2008.
5. Redwood Road and 10400 South. Utah Department of Transportation(UDOT) is currently making major improvements to increase capacity of these two roads in the City. In coordination with UDOT, the City will be making upgrades and increasing capacity of City-owned utility assets.

6. 4000 West. During the year, the City spent just over \$1.6 million on the construction of 4000 West. This road will provide much a much needed transportation alternative on the west portion of the City.

Economic Development. The City Council recognizes the need to develop the City's economic base in order to provide the necessary services, i.e., recreation, roads, water, etc. to its citizens. Efforts are being made by the City to attract new businesses and to promote the type of activities that will enhance the quality of life in the community. These businesses include restaurants, office buildings, and the University of Southern Nevada campus.

The South Jordan Redevelopment Agency was established for the purpose of encouraging new development within the City. The Agency currently has ten redevelopment areas (RDA's). These areas have been successful in assisting several new office and retail establishments within the RDA boundaries.

One of the largest RDA's is the "District". This area has 1.2 million feet of retail space. Current tenants include Target, JC Penney, LHM Megaplex 20, Famous Footwear, and Hobby Lobby. The success of this development demonstrates the City's dedication to the establishment of long-term, sustained economic growth. The City will continue to encourage development through the use of redevelopment areas.

FINANCIAL INFORMATION

South Jordan's financial statements reflect the rapid growth of the City. The balance in the City's General Fund increased by \$695,922 during the fiscal year to end with a balance of \$4,585,890. This amount represents an increase of \$1,722,904 from five years ago. During the same five-year period, the City's governmental funds revenues increased from \$17,051,924 to \$40,167,881, and expenditures increased from \$28,226,869 to \$36,751,436. Growth in proprietary funds has increased during this period as well. Proprietary fund revenues increased from \$5,696,796 to \$13,656,023 since fiscal year 2002, while operating expenses rose from \$5,338,735 to \$11,432,011.

As a recipient of federal and state financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place and to document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluations by Administration. The audit for the fiscal year ended June 30, 2007, disclosed no material internal control weaknesses or material violations of laws and regulations.

The City's budget serves as the foundation for its financial planning and control. City Management prepares a proposed annual budget which is presented to the City Council for review no later than the first council meeting in May. The Council is required to hold a public hearing on the proposed budget and to adopt the final budget prior to June 22, unless the City proposes a property tax in excess of the its certified tax rate. In that case, a tentative budget is adopted and is in force until a public hearing is held to approve the increase.

A budget is prepared for each fund, and the General Fund is further divided into departments. Department heads may make transfers of appropriations within a department. Transfers in appropriations between departments, or increases in revenues require the approval of the City Council. Activities of the general fund, special revenue funds, debt service funds and capital project funds are included in the annual appropriated budget. The level of budgetary control (i.e., the level where expenditures cannot legally exceed the appropriate amount) is at the department level within the General Fund and the fund level for all other funds.

As demonstrated by the statement included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Cash Management

The City Treasurer focuses on safety, liquidity and yield of investments. The highest priority of cash management and investments is to ensure adequate funds are available to meet City obligations and that all investments are in safe instruments. Yield, while important, is considered third priority after safety and liquidity. All City funds are invested

in accordance with the guidelines established by the Utah Money Management Act and in institutions authorized by the Utah Money Management Council.

Risk Management

The City is exposed to a variety of accidental losses and has established a risk management strategy that attempts to reasonably minimize losses and the cost of carrying insurance. Under the direction of the City's Risk Manager, control techniques have been established to provide reasonable assurance that City employees are aware of their responsibilities regarding loss exposures related to their duties. In a similar manner, risk control techniques have been established to reduce possible losses to property owned, or under the control of the City. Furthermore, supervisory personnel are held responsible for monitoring risk control techniques on an operational basis.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent certified public accountants. The firm of Gilbert & Stewart was selected by the City Council to perform this audit. This audit was designed to meet the requirements set forth in the Utah State statutes. Generally accepted auditing standards and the standards set forth in the General Accounting Office's Government Auditing Standards were used by the auditors in conducting the engagement. The auditor's report on the financial statements is included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of South Jordan for its CAFR, for the fiscal year ended June 30, 2006. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial report.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the past 21 years. We believe our current report continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

We would like to thank Mayor and the City Council for their interest and support in planning and conducting the financial operations of the City in a dedicated and responsible manner.

The preparation of the CAFR on a timely basis could not have been accomplished without the efforts and dedication of the City staff. We would like to express our appreciation them and other personnel from various agencies and authorities who assisted in its preparation.

Respectfully submitted,

Dean Lundell
Finance Director

Ricky A. Horst
City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of South Jordan
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "Ronald J. [unclear]".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

South Jordan Citizens

Elect

Mayor & City Council

Council Appoints

City Manager

Boards/Committees

- *Senior Citizens Committee
- *Historical Committee
- *Gale History Center
- *Public Art & Cultural Development Board
- *Ad/Hoc as Determined

Boards/Commissions

- *Planning Commission
- *Board of Adjustments
- *Architectural Review Committee
- *Judge

ACM Municipal Services

ACM Legal

ACM/COO

ACM Administrative Services

CITY OF SOUTH JORDAN
List of Elected and Appointed Officials

Elected Officials

Mayor	William Kent Money
Council Member	Brian C. Butters
Council Member	David W. Colton
Council Member	Bradley G. Marlor
Council Member	Larry Short
Council Member	Leona Winger

Appointed Officials

City Manager	Ricky A. Horst
Chief Operating Officer	John H. Geilmann
Assistant City Manager - Municipal Services	Gary L. Whatcott
Assistant City Manager - Administrative Services	Laurie Johnson
Assistant City Manager - Legal Services	I. Robert Wall
Municipal Court Judge	Clinton E. Balmforth
City Treasurer	Kelly Pfof

FINANCIAL SECTION



AUDITOR'S REPORT



GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION

RANDEL A. HEATON, CPA
LYNN A. GILBERT, CPA
JAMES A. GILBERT, CPA
BEN H. PROBST, CPA
RONALD J. STEWART, CPA

SIDNEY S. GILBERT, CPA
JAMES E. STEWART, CPA
ROBERT PHELPS, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of South Jordan, Utah

December 12, 2007

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Jordan, Utah (City) as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of South Jordan as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued a report dated December 12, 2007 on our consideration of the City of South Jordan's internal control over financial reporting and on our test of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and required supplementary information listed in the table of contents is not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America.


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We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of South Jordan's basic financial statements. The introductory section, combining and individual non-major fund financial statements, budgetary comparison schedules, impact fee schedule, capital asset schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The, combining and individual non-major fund financial statements, budgetary comparison schedules, impact fee schedule, and capital assets schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script, likely reading "Gilbert & Stewart", positioned above the firm's name.

GILBERT & STEWART
Certified Public Accountants

CITY OF SOUTH JORDAN, UTAH MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of South Jordan, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page 2 of this report.

FINANCIAL HIGHLIGHTS

- The total net assets of the City of South Jordan increased 22.39% to \$242,296,947. Most of the increase in net assets is due to increases to the City's capital infrastructure assets, which primarily come from contributed capital.
- As of June 30, 2007, the City's governmental funds reported a combined fund balance of \$24,891,411. This represents a 15.42% increase from the previous year.
- The City's General Fund balance as of June 30, 2007, is \$4,585,890. This is an increase of \$695,922 from last year's balance of \$3,889,968. Utah State Law allows that any balance in excess of 5% of the total estimated revenues may be utilized for budget purposes. The maximum fund balance allowed is 18% of estimated revenues. The City's General Fund balance is at the maximum level of 18%.
- As South Jordan continues to grow, so does its sales tax base. The City's revenue collections from sales tax increased 31.57% from a 2006 level of \$4,926,279 to \$6,481,322 in 2007.
- The City received a total of \$35,719,952 in capital grants and contributions. These contributions consisted primarily of infrastructure assets, which were built by developers and then donated to the City.
- To take advantage of lower interest rates, the City issued \$9,915,000 in Sales Tax Revenue Refunding bonds during fiscal year 2007. These bonds refunded \$9,240,000 of the series 2001 Sales Tax Revenue bonds.
- The City also issued \$21,950,000 in Water Revenue and Refunding bonds during FY 06-07. These bonds refunded \$2,120,000 of the series 2000 Water Revenue bonds, \$13,870,000 of the series 2003 Water Revenue bonds, and issued \$6,000,000 in additional water revenue bonds to help build necessary infrastructure.

REPORT OVERVIEW

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components:

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, other non-financial factors should also be considered.

The Statement of Activities presents information showing how the City's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The government-wide financial statements can be found on pages 28-30 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City also uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental Funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine the financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities and governmental funds is detailed in a reconciliation included with the fund financial statements.

The City maintains the following fifteen individual governmental funds:

- General
- Debt Service
- Redevelopment Agency
- Municipal Building Authority
- Construction
- Street Lighting
- Storm Drain
- Recreation
- Recreation Center
- Community Development Block Grant
- Historical Preservation
- Parkway Care
- Glenmoor
- Risk Management
- Public Arts

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, Redevelopment Agency, Municipal Building Authority, and Construction, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is elsewhere in this report.

The basic governmental fund financial statements can be found on pages 32-34 of this report.

Proprietary Funds – The City maintains one type of proprietary fund, which is an enterprise fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water, Sanitation and Mulligans. These funds are all considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 37-39 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 41 of this report.

Required Supplementary Information (RSI) – This section contains budget to actual statements for the City’s General Fund as well as its only major special revenue fund, which is the Redevelopment Agency Fund. The RSI section begins on page 72.

Other Information – In addition to the above mentioned statements and reports, this report also presents other supplementary information and a statistical section which give additional and more detailed information to the reader. The supplemental section includes individual fund financial

statements for the City's nonmajor funds as well as budget to actual statements for major funds not reported as RSI. The supplemental section also shows collections and budgeted expenditures for the City's impact fee revenues. The statistical section gives various financial and demographic data of the City, including trend analysis for certain financial data. The supplementary section begins on page 78, and the statistical section begins on page 106.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of South Jordan, assets exceeded liabilities by \$242,296,947 as of June 30, 2007.

By far the largest portion of the City's net assets (82.45%) reflects its investments in capital assets (e.g., land, buildings, machinery, and equipment, improvements, construction in progress and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following table summarizes the City's Net Assets.

CITY OF SOUTH JORDAN'S NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 45,346,953	\$ 39,989,212	\$ 21,559,344	\$ 22,815,155	\$ 66,906,297	\$ 62,804,367
Capital assets	168,818,503	142,670,380	92,567,449	74,994,574	261,385,952	217,664,954
Total assets	214,165,456	182,659,592	114,126,793	97,809,729	328,292,249	280,469,321
Long-term debt outstanding	32,887,105	35,150,722	35,563,446	32,738,531	68,450,551	67,889,253
Other liabilities	14,224,428	11,792,047	3,320,323	2,819,929	17,544,751	14,611,976
Total liabilities	47,111,533	46,942,769	38,883,769	35,558,460	85,995,302	82,501,229
Net assets						
Invested in capital assets, net of related debt	136,783,586	106,761,733	63,000,530	50,171,439	199,784,116	156,933,172
Restricted	5,074,875	5,171,176	4,508,398	5,019,969	9,583,273	10,191,145
Unrestricted	25,195,462	23,783,914	7,734,096	7,059,861	32,929,558	30,843,775
Total net assets	\$ 167,053,923	\$ 135,716,823	\$ 75,243,024	\$ 62,251,269	\$ 242,296,947	\$ 197,968,092

An additional portion of the City's net assets (3.96%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$32,929,558 may be used to meet the government's ongoing obligations to citizens and creditors.

As of June 30, 2007, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended June 30, 2007. Net Assets for governmental activities increased by \$31,337,100, which is an increase of \$150,457 from the previous year. Business-type activities increased by \$12,991,755 which represents a decrease of \$584,770 from the previous year.

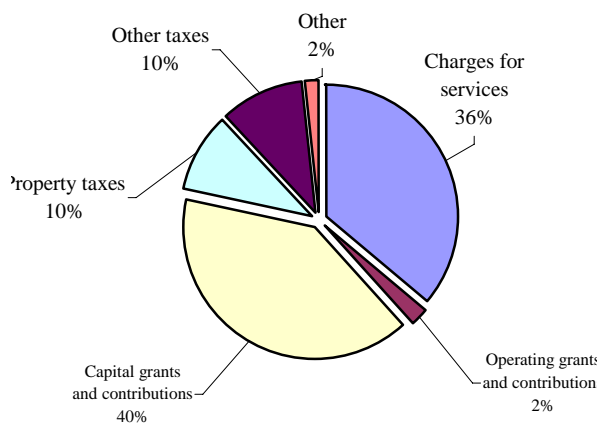
CITY OF SOUTH JORDAN'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2005
Revenues						
Program revenues:						
Charges for services	\$ 16,135,108	\$ 17,882,077	\$ 16,271,734	\$ 15,556,139	\$ 32,406,842	\$ 33,438,216
Operating grants and contributions	1,950,195	1,841,950	-	-	1,950,195	1,841,950
Capital grants and contributions	27,178,129	23,874,290	8,541,823	5,767,243	35,719,952	29,641,533
General Revenues:						
Property taxes	8,900,328	7,428,694	-	-	8,900,328	7,428,694
Other taxes	9,182,820	7,533,289	-	-	9,182,820	7,533,289
Other	1,625,121	622,350	-	-	1,625,121	622,350
Total revenues	64,971,701	59,182,650	24,813,557	21,323,382	89,785,258	80,506,032
Expenses:						
General Government	7,719,415	7,772,842	-	-	7,719,415	7,772,842
Community Services	3,071,596	2,656,839	-	-	3,071,596	2,656,839
Municipal Services	14,432,464	10,637,661	-	-	14,432,464	10,637,661
Finance & Admin Services	5,794,895	5,382,316	-	-	5,794,895	5,382,316
Interest on Long-Term Debt	1,615,736	1,761,293	-	-	1,615,736	1,761,293
Water	-	-	9,635,759	8,304,493	9,635,759	8,304,493
Sanitation	-	-	1,676,313	1,462,979	1,676,313	1,462,979
Mulligans	-	-	1,285,024	1,548,939	1,285,024	1,548,939
Total Expenses	32,634,106	28,210,951	12,597,096	11,316,411	45,231,202	39,527,362
Gain on Sale of Capital Assets	11,125	3,784,498	(236,326)	-	(225,201)	3,784,498
Increase (decrease) in net assets before transfers	32,348,720	34,756,197	11,980,135	10,006,971	44,328,855	44,763,168
Transfers	(1,011,620)	(3,569,554)	1,011,620	3,569,554	-	-
Increase in net assets	31,337,100	31,186,643	12,991,755	13,576,525	44,328,855	44,763,168
Net assets, beginning	135,716,823	104,530,180	62,251,269	48,674,744	197,968,092	153,204,924
Net assets, ending	\$ 167,053,923	\$ 135,716,823	\$ 75,243,024	\$ 62,251,269	\$ 242,296,947	\$ 197,968,092

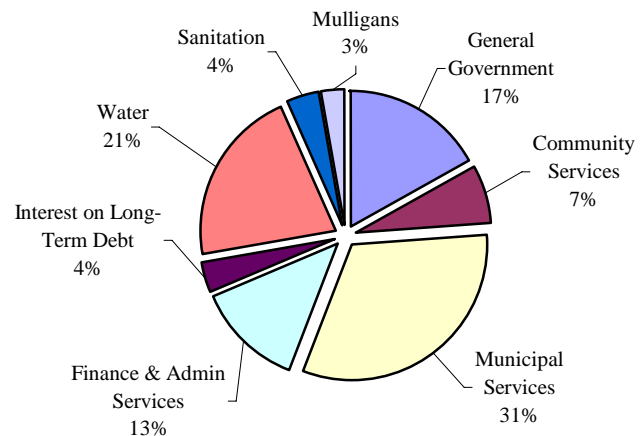
The largest source of revenue from charges for services is impact fees, and property taxes are the primary source of general revenue. Most of the City's operating grants are related to public safety, while capital grants consist mostly of donated infrastructure assets.

The two graphs on the following page display South Jordan's government-wide revenues and expenses for the fiscal year ended June 30, 2007.

Total Revenues
Government-Wide Operations
of the City of South Jordan

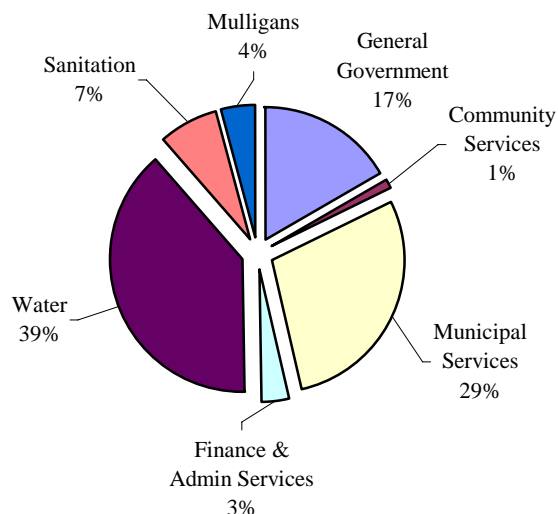


Total Expenses
Government-Wide Operations
of the City of South Jordan



The following graph displays details of the City's charges for services for the fiscal year ended June 30, 2007.

Charges for Services by Source
for the City of South Jordan



Financial Analysis of Government's Funds

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

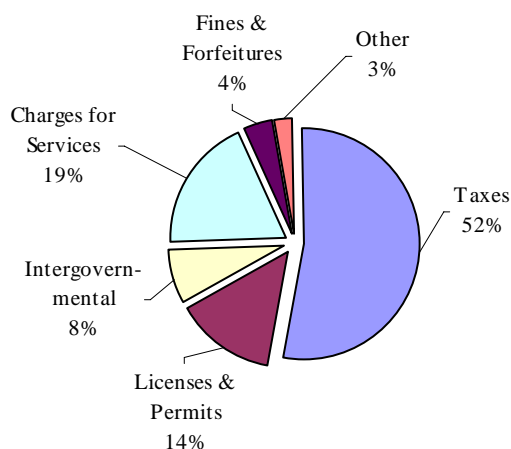
As of June 30, 2007, The City's governmental funds (General, Capital Projects, Debt Service, & Special Revenue) reported combined fund balances of \$24,891,411. This represents an increase of \$3,325,233 over last year's ending balances. Approximately 77 percent of the total fund balance (\$19,232,840) constitutes *unreserved fund balance*. This includes \$11,285,569, which is not reserved but is designated in the Construction Fund to be used for capital projects within the City. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) for debt service, 2) for capital projects funded by impact fee revenue, 3) or for a variety of other restricted purposes.

General Fund

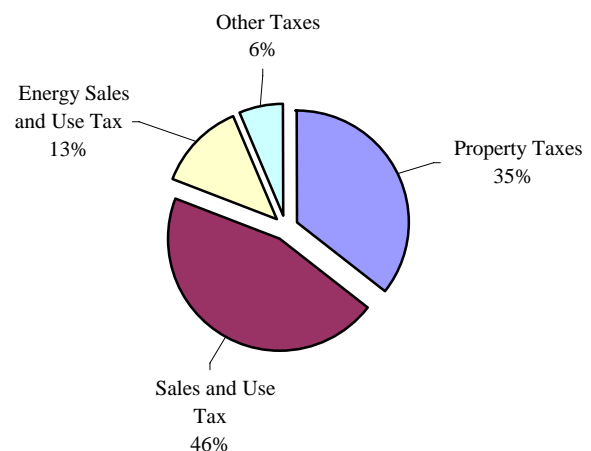
The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses are accounted for in this fund. Revenues exceeded expenditures in the General Fund by \$695,922 during the year.

Taxes continue to be the largest source of revenue in the General Fund and represent 53 percent of total general fund revenues. The largest component of tax revenue is sales tax, which represents 45 percent of total tax revenues and 24 percent of total general fund revenues. This compares with 20 percent of total general fund revenues in the prior fiscal year ended June 30, 2006.

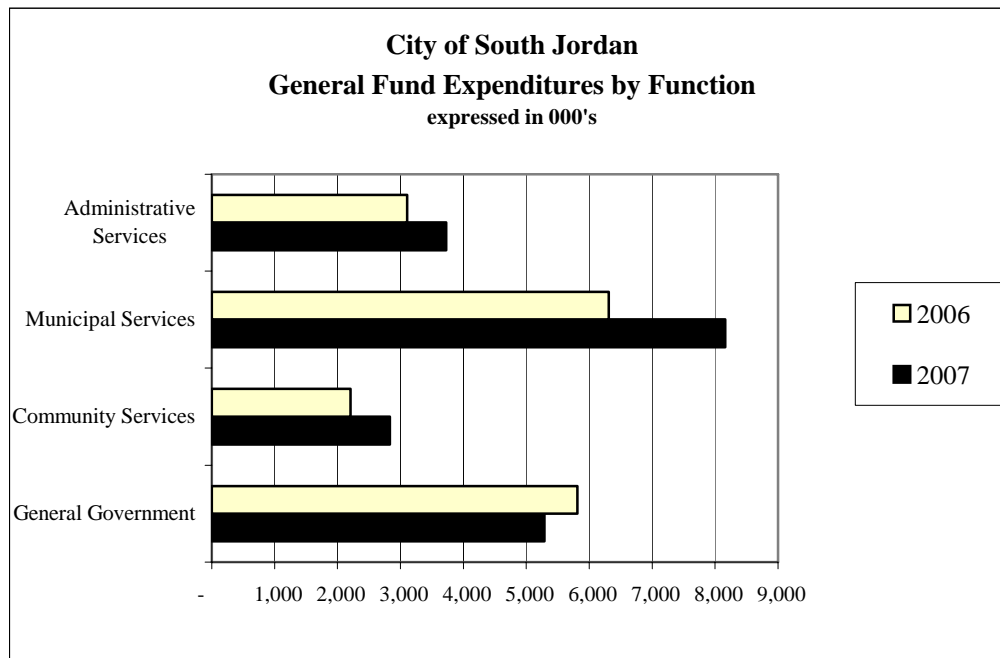
**City of South Jordan
General Fund Revenue by Source**



**Tax Revenue by Type
for the City of South Jordan**



General Fund expenditures increased from \$17,434,233 in 2006 to \$20,008,099 in 2007. This represents a 14.76% increase. Generally, expenditures increased consistently throughout the City. Some responsibilities were transferred from General Government to Municipal Services, which explains the decrease in General Government expenditures. The chart below compares general fund expenditures between 2006 and 2007.



Other Governmental Funds

Highlights from the City's other major governmental funds show indicators of a rapidly growing city. During FY 2007, property tax collections from redevelopment areas increased 47 percent to a total of \$3,935,628 during the same period. Total payments for debt service increased from \$4,214,098 in 2006 to \$4,820,777 in 2007. This includes debt paid both in the Debt Service fund and in the Municipal Building Authority fund.

Finally, capital expenditures totaled \$6,867,894 in the Construction fund and \$7,761,741 for the City as a whole. The fund balance in the Construction fund increased by \$2,205,245. This increase was due to unspent impact fee revenues, which have been collected and will be used to fund future capital projects.

Enterprise Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. In summary, unrestricted net assets of the Water fund increased from \$4,286,947 to \$5,325,276; increased from \$2,623,031 to \$3,234,961 in the sanitation fund, and increased from \$149,883 to \$284,218 in the Mulligans fund.

During FY 2006-2007, water rates were adjusted to keep pace with the City's increased cost to purchase water. The base rate for residential customers increased to \$31.19 per month with consumption rates ranging from \$1.39 to \$2.11 per thousand gallons. The base rate for commercial customers increased from \$59.42 per month to \$66.14 per month with consumptions

rates ranging from \$1.64 per thousand gallons to \$2.60 per thousand gallons. Higher rates are charged to consumers as their consumption increases. Other factors concerning the finances of these two funds have already been discussed in the discussion of South Jordan's business-type activities.

General Fund Budgetary Highlights

During the fiscal year, the General Fund budget (not including transfers) was amended from an original budget expenditure total of \$20,574,118 to a final budget of \$21,026,911. All departments monitor their budgets closely and are required to stay within their allotment. Budget adjustments made during the year can be summarized as follows:

- General Government decreased by \$428,089.
- Community Services increased by \$380,152.
- Municipal Services increased by \$232,729.
- Administrative Services increased by \$268,001.

These adjustments were based on updated revenue projections and departmental needs as determined by the City Council.

During the year, actual revenues received exceeded budgeted revenues by \$1,196,903. Actual expenditures were less than budgeted expenditures by \$1,018,812. These surpluses were transferred to capital projects to assist in fulfilling the capital needs of the City.

Capital Assets and Debt Administration

Capital assets. The City of South Jordan's investment in capital assets for its governmental and business-type activities as of June 30, 2007, amounts to \$261,385,952 (net of accumulated depreciation). This investment in capital assets includes: land, buildings and structures, improvements, infrastructure (streets, sidewalks, etc.), machinery and equipment, and construction in progress. The total increase in the City's investment in fixed assets for the current year was 20% (an 18% increase for governmental activities and a 23% increase for business-type activities).

	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 33,803,343	\$ 20,736,195	\$ 12,134,910	\$ 12,134,910	\$ 45,938,253	\$ 32,871,105
Water Shares	-	-	18,628,369	18,080,182	18,628,369	18,080,182
Buildings	16,111,657	16,769,451	1,447,984	1,561,913	17,559,641	18,331,364
Improvements	7,241,961	7,632,040	44,784,164	19,219,403	52,026,125	26,851,443
Machinery & Equip	4,558,493	3,887,944	966,768	927,088	5,525,261	4,815,032
Infrastructure	103,176,484	89,223,903	964,767	20,179,120	104,141,251	109,403,023
Const in Progress	3,926,565	4,420,848	13,640,487	2,891,958	17,567,052	7,312,806
Total Capital Assets	\$ 168,818,503	\$ 142,670,381	\$ 92,567,449	\$ 74,994,574	\$ 261,385,952	\$ 217,664,955

Major capital asset events during FY 06-07 include the following:

- \$25,223,226 in contributed infrastructure assets including \$13,209,138 in land beneath roads contributed to the City.
- Upgrades to the City's culinary water system totaling \$11,958,591.
- During the year, the City spent just over \$1.6 million on the construction of a new road at 4000 West. This road will provide much a much needed transportation alternative on the west portion of the City.

Additional information on the City's capital assets can be found on footnote 7 on page 59-60 of this report.

Long-term debt. As of June 30, 2007, the City had a total bonded debt outstanding of \$65,615,000. All of this amount is represented by bonds secured solely by specific revenue sources. The City has no general obligation bonds outstanding.

City of South Jordan's Outstanding Debt General Obligation and Revenue Bonds							
	Governmental activities		Business-type activities		Total		
	2007	2006	2007	2006	2007	2006	
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Special Assessment debt with governmental commitment	6,100,000	6,475,000	-	-	6,100,000	6,475,000	
Revenue Bonds	23,340,000	23,685,000	36,175,000	32,250,000	59,515,000	55,935,000	
Total net assets	\$ 29,440,000	\$ 30,160,000	\$ 36,175,000	\$ 32,250,000	\$ 65,615,000	\$ 62,410,000	

The City's total bonded debt increased by \$3,205,000 during the year. New bonds were issued to refund portions of the 2001 Sales Tax Revenue bonds, 2000 Water Revenue bonds, and 2003 Water Revenue bonds. \$6,000,000 in additional Water Revenue bonds were issued during the year.

The City currently has no general obligation debt. The most recent bond ratings issued for South Jordan are: the series 2006 Sales Tax bonds, with a Standard and Poor's rating of "AA" and the series 2007 Water Revenue bonds, with a Standard and Poor's rating of "A+".

State statutes limit the amount of general obligation debt a governmental entity may issue to 12% of the "reasonable fair cash value" of property within the City. Of this percent, a maximum of 4% may be used for general purposes. The current limitation for the City is \$158,944,680, which is significantly in excess of the City's outstanding general obligation debt. The remaining 8% and any unused portion of the 4% available for general purposes up to the maximum of 12% may be utilized for water, sewer, and electrical projects. The current limitation for all debt, including that

used for water, sewer and electrical projects is thus \$476,834,040, which again significantly exceeds the outstanding city-wide debt.

Additional information on the City's long term-debt can be found in footnote 9 on pages 62-67 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for the City of South Jordan currently is 1.6%. This compares with a national unemployment rate of 4.7%. The 2006 unemployment rate was 2.3%. (Source: Bureau of Labor Statistics)
- The General Fund budget for the fiscal year ending June 30, 2008 reflects an increase of 13.5% over the final budget for the fiscal year-ended June 30, 2007.
- All rates the City charges for services are evaluated annually. Water rates were adjusted April 1, 2007, in accordance with the City's water rate study. No water rate changes were made July 1, 2007. The water rate study recommend an rate increase of 6%, which would take place during the summer of 2008.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of South Jordan's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to: City of South Jordan, Associate Director of Finance, 1600 West Towne Center Drive, South Jordan, UT 84095, or call (801) 254-3742, or e-mail to snaidu@sjc.utah.gov.

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS



CITY OF SOUTH JORDAN

Statement of Net Assets

June 30, 2007

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 24,902,993	\$ 9,315,263	\$ 34,218,256
Restricted Cash	1,760,363	6,704,882	8,465,245
Receivables	17,955,640	2,440,558	20,396,198
Interfund Balances	41,804	(41,804)	-
Inventories	19,159	51,901	71,060
Other Assets	-	2,298,723	2,298,723
Bond Issuance Costs (Net)	666,994	789,821	1,456,815
Capital Assets:			
Land	33,803,343	12,134,910	45,938,253
Water Shares	-	18,628,369	18,628,369
Buildings	19,261,969	1,960,145	21,222,114
Improvements	143,960,287	56,247,834	200,208,121
Machinery & Equipment	10,270,235	2,086,656	12,356,891
Construction in Progress	3,926,565	13,640,487	17,567,052
Less Accumulated Depreciation	(42,403,896)	(12,130,952)	(54,534,848)
Total Assets	<u>214,165,456</u>	<u>114,126,793</u>	<u>328,292,249</u>
LIABILITIES			
Accounts Payable	1,927,512	1,861,455	3,788,967
Unearned Revenue	9,007,336	-	9,007,336
Unamortized Bond Premium	111,313	1,068,556	1,179,869
Other Liabilities	2,522,873	83,571	2,606,444
Accrued Interest Payable	655,394	306,741	962,135
Long-term Liabilities			
Due Within One Year	3,277,963	2,411,026	5,688,989
Due in More Than One Year	29,609,142	33,152,420	62,761,562
Total Liabilities	<u>47,111,533</u>	<u>38,883,769</u>	<u>85,995,302</u>
NET ASSETS			
Invested in Capital Assets, net of related debt	137,339,267	62,721,795	200,061,062
Restricted for:			
Impact Fees	3,314,512	3,784,374	7,098,886
Debt Service	1,760,363	724,024	2,484,387
Perpetual Care			
Expendable	157,604	-	157,604
Non-expendable	313,629	-	313,629
Unrestricted	24,168,548	8,012,831	32,181,379
Total Net Assets	<u>\$ 167,053,923</u>	<u>\$ 75,243,024</u>	<u>\$ 242,296,947</u>

See accompanying notes.

CITY OF SOUTH JORDAN

Statement of Activities
For the Year Ended June 30, 2007

Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government							
Governmental:							
General Government	\$ 7,719,415	\$ 5,413,975	\$ 82,802	\$ 424,031	\$ (1,798,607)	\$ -	\$ (1,798,607)
Community Services	3,071,596	328,651	162,457	322,842	(2,257,646)	-	(2,257,646)
Municipal Services	14,432,464	9,302,633	1,704,936	26,431,256	23,006,361	-	23,006,361
Finance & Admin Services	5,794,895	1,089,849	-	-	(4,705,046)	-	(4,705,046)
Interest on Long-Term Debt	1,615,736	-	-	-	(1,615,736)	-	(1,615,736)
Total Governmental Activities	<u>32,634,106</u>	<u>16,135,108</u>	<u>1,950,195</u>	<u>27,178,129</u>	<u>12,629,326</u>	<u>-</u>	<u>12,629,326</u>
Business-type:							
Water	9,635,759	12,549,690	-	8,496,286	-	11,410,217	11,410,217
Sanitation	1,676,313	2,409,651	-	43,265	-	776,603	776,603
Mulligan's	1,285,024	1,312,393	-	2,272	-	29,641	29,641
Total Business-type Activities	<u>12,597,096</u>	<u>16,271,734</u>	<u>-</u>	<u>8,541,823</u>	<u>-</u>	<u>12,216,461</u>	<u>12,216,461</u>
Total Primary Government	<u>45,231,202</u>	<u>32,406,842</u>	<u>1,950,195</u>	<u>35,719,952</u>	<u>12,629,326</u>	<u>12,216,461</u>	<u>24,845,787</u>
General Revenues:							
Property Taxes					8,900,328	-	8,900,328
Sales and Use Tax					6,481,322	-	6,481,322
Energy Sales and Use Tax					1,824,497	-	1,824,497
Other Taxes					877,001	-	877,001
Miscellaneous Revenue					450,196	-	450,196
Gain (loss) on disposition of capital assets					11,125	(236,326)	(225,201)
Unrestricted Investment Earnings					1,174,925	-	1,174,925
Transfers					(1,011,620)	1,011,620	-
Total General Revenues and Transfers					<u>18,707,774</u>	<u>775,294</u>	<u>19,483,068</u>
Change in Net Assets					<u>31,337,100</u>	<u>12,991,755</u>	<u>44,328,855</u>
Net Assets -- Beginning					<u>135,716,823</u>	<u>62,251,269</u>	<u>197,968,092</u>
Net Assets -- Ending					<u>\$ 167,053,923</u>	<u>\$ 75,243,024</u>	<u>\$ 242,296,947</u>

See accompanying notes.

Governmental Fund Financial Statements

General Fund

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

Redevelopment Agency (RDA)

This fund is used to account for the activities of the Redevelopment Agency. The Agency is an entity established to further public purpose in the redevelopment of particular City areas.

Construction Fund

This fund is used to account for the construction of budgeted capital projects of the City. Impact fees, intergovernmental grants and interest earnings are the principal sources of funding for these projects.

Nonmajor Funds

Nonmajor governmental funds are presented by fund type beginning on page 78.

CITY OF SOUTH JORDAN

Balance Sheet Governmental Funds June 30, 2007

			Special Revenue	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	General	Debt Service	RDA	Construction		
ASSETS						
Cash & Cash Equivalents	\$ 5,704,703	\$ 132,912	\$ 776,218	\$ 15,490,377	\$ 2,798,783	\$ 24,902,993
Restricted for Debt Service	-	1,033,500	-	-	726,863	1,760,363
Receivables	7,812,722	6,100,000	3,725,257	209,106	108,557	17,955,642
Notes Receivable	-	-	-	41,804	-	41,804
Inventories	19,159	-	-	-	-	19,159
Total Assets	<u>\$ 13,536,584</u>	<u>\$ 7,266,412</u>	<u>\$ 4,501,475</u>	<u>\$ 15,741,287</u>	<u>\$ 3,634,203</u>	<u>\$ 44,679,961</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable and Accrued Liabilities	931,991	-	3,811	873,220	118,492	1,927,514
Construction Bonds and Refunds	2,505,797	-	-	17,076	-	2,522,873
Deferred Revenue	230,827	6,100,000	-	-	-	6,330,827
Unearned Revenue	5,282,079	-	3,725,257	-	-	9,007,336
Total Liabilities	<u>8,950,694</u>	<u>6,100,000</u>	<u>3,729,068</u>	<u>890,296</u>	<u>118,492</u>	<u>19,788,550</u>
FUND BALANCES						
Reserved for:						
Debt Service	-	1,033,500	-	-	726,863	1,760,363
Impact Fees	-	-	-	3,314,512	-	3,314,512
Long-term Note Receivable	-	-	-	250,910	-	250,910
Perpetual Care	-	-	-	-	313,629	313,629
Other	19,159	-	-	-	-	19,159
Unreserved, Reported In						
General Fund	4,566,731	-	-	-	-	4,566,731
Capital Projects Funds	-	-	-	11,285,569	-	11,285,569
Debt Service Funds	-	132,912	-	-	159,790	292,702
Special Revenue Funds	-	-	772,407	-	2,157,825	2,930,232
Permanent Funds	-	-	-	-	157,604	157,604
Total Fund Balances	<u>4,585,890</u>	<u>1,166,412</u>	<u>772,407</u>	<u>14,850,991</u>	<u>3,515,711</u>	<u>24,891,411</u>
Total Liabilities and Fund Balances	<u>\$ 13,536,584</u>	<u>\$ 7,266,412</u>	<u>\$ 4,501,475</u>	<u>\$ 15,741,287</u>	<u>\$ 3,634,203</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources.	168,818,503
Other long-term assets are not available to pay for current-period expenditures.	6,330,827
Long-term liabilities, including bonds payable, are not due and payable in the current period.	(32,986,818)
Net assets of governmental activities	<u>\$ 167,053,923</u>

See accompanying notes.

CITY OF SOUTH JORDAN

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2007

			Special Revenue	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	General	Debt Service	RDA	Construction		
REVENUES						
Taxes	\$ 14,251,925	\$ -	\$ 3,935,628	\$ -	\$ -	\$ 18,187,553
Licenses & Permits	3,716,134	-	-	-	-	3,716,134
Intergovernmental	2,116,537	-	-	97,500	59,000	2,273,037
Charges for Services	5,251,844	-	-	-	1,821,225	7,073,069
Fines & Forfeitures	1,089,849	-	-	-	-	1,089,849
Special Assessments	-	799,031	-	-	-	799,031
Interest	582,891	84,242	31,730	354,608	121,454	1,174,925
Impact Fees	-	-	-	4,256,057	-	4,256,057
Miscellaneous	102,037	151,463	20,011	1,315,146	9,569	1,598,226
Total Revenues	27,111,217	1,034,736	3,987,369	6,023,311	2,011,248	40,167,881
EXPENDITURES						
Current						
General Government	5,289,610	-	334,476	-	59,000	5,683,086
Community Services	2,832,767	-	-	-	-	2,832,767
Municipal Services	8,160,980	-	-	-	805,537	8,966,517
Finance & Administrative Services	3,724,742	-	-	-	1,508,482	5,233,224
Tax Increment Distributions	-	-	1,453,327	-	-	1,453,327
Capital Outlay & Projects	-	-	498,946	6,867,894	394,901	7,761,741
Debt Service						
Principal Retirement	-	2,443,930	112,764	-	345,000	2,901,694
Interest and Fees	-	1,505,979	29,549	-	383,555	1,919,083
Total Expenditures	20,008,099	3,949,909	2,429,062	6,867,894	3,496,475	36,751,439
Excess (Deficiency) of Revenues over Expenditures	7,103,118	(2,915,173)	1,558,307	(844,583)	(1,485,227)	3,416,442
Other Financing Sources (Uses)						
Issuance of Long-Term Debt	-	9,915,000	-	304,500	-	10,219,500
Sale of Capital Assets	70,641	-	-	165,659	-	236,300
Payment to refunded bond escrow agent	-	(9,699,784)	-	-	-	(9,699,784)
Transfers In	219,156	2,722,315	-	5,692,184	1,878,389	10,512,044
Transfers Out	(6,696,993)	-	(1,219,685)	(3,112,515)	(330,076)	(11,359,269)
Total Other Financing Sources (Uses)	(6,407,196)	2,937,531	(1,219,685)	3,049,828	1,548,313	(91,209)
Net Change in Fund Balance	695,922	22,358	338,622	2,205,245	63,086	3,325,233
Fund Balances - July 1	3,889,968	1,144,054	433,785	12,645,746	3,452,625	21,566,178
Fund Balances - June 30	\$ 4,585,890	\$ 1,166,412	\$ 772,407	\$ 14,850,991	\$ 3,515,711	\$ 24,891,411

See accompanying notes.

CITY OF SOUTH JORDAN
Reconciliation of The Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To The Statement of Activities
For the Year Ended June 30, 2007

Amounts reported for governmental activities in the statement of activities
are different because:

Net Change in Fund Balance -- Total Governmental Funds	\$ 3,325,233
--	--------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	1,254,467
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	24,893,656
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(479,406)
---	-----------

Bond proceeds and capital leases provide current financial resources to governmental funds by issuing debt which increases long-term liabilities in the statement of net assets. Repayments of bond and capital lease principal are expenditures in the governmental funds, but reduce liabilities in the statement of net assets.	2,347,857
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(4,710)</u>
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Change in net assets of governmental activities	<u><u>\$ 31,337,097</u></u>
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See accompanying notes.

Proprietary Fund Financial Statements

Water Fund

This fund is used to account for the activities of the City's water operations.

Sanitation Fund

This fund is used to account for the activities of the City's sanitation operations.

Mulligans

This fund is used to account for the operation of Mulligan's Golf & Games. This City recreation facility includes golf, miniature golf, a driving range, and batting cages.

CITY OF SOUTH JORDAN

Statement of Net Assets

Proprietary Funds

June 30, 2007

	Business-type Activities - Enterprise Funds			
	Water Fund	Sanitation Fund	Mulligans Fund	Total
ASSETS				
Current Assets				
Cash & Cash Equivalents	\$ 8,378,022	\$ 817,827	\$ 119,414	\$ 9,315,263
Accounts Receivable	2,151,327	289,231	-	2,440,558
Inventories	26,806	-	25,095	51,901
Other Current Assets	27,902	-	-	27,902
Total Current Assets	10,584,057	1,107,058	144,509	11,835,624
Noncurrent Assets				
Restricted Cash	5,969,553	-	735,329	6,704,882
Investment in Landfill	-	2,270,821	-	2,270,821
Bond Issuance Costs	996,528	-	282,151	1,278,679
Accumulated Amortization	(465,345)	-	(23,513)	(488,858)
Capital Assets				
Land	2,117,963	-	10,016,947	12,134,910
Water Shares	18,628,369	-	-	18,628,369
Buildings and Structures	1,260,345	-	699,800	1,960,145
Improvements - Other than Buildings	56,042,751	-	205,083	56,247,834
Machinery and Equipment	1,254,902	578,525	253,229	2,086,656
Construction in Progress	13,640,487	-	-	13,640,487
Less Accumulated Depreciation	(11,634,126)	(180,995)	(315,831)	(12,130,952)
Capital Assets (Net of Accum Depreciation)	81,310,691	397,530	10,859,228	92,567,449
Total Noncurrent Assets	87,811,427	2,668,351	11,853,195	102,332,973
Total Assets	98,395,484	3,775,409	11,997,704	114,168,597
LIABILITIES				
Current Liabilities				
Accounts Payable	1,716,267	127,898	17,290	1,861,455
Accrued Liabilities	24,371	2,627	27,746	54,744
Interest Payable	221,290	11,513	73,938	306,741
Construction Bonds and Refunds	28,827	-	-	28,827
Current Portion Compensated Absences	14,835	880	11,260	26,975
Current Portion Note Payable	-	-	41,804	41,804
Current Portion Bonds Payable	1,115,000	-	1,155,000	2,270,000
Current Portion Capital Leases Payable	18,371	95,680	-	114,051
Total Current Liabilities	3,138,961	238,598	1,327,038	4,704,597
Noncurrent Liabilities				
Note Payable	-	-	-	-
Unamortized Bond Premium	986,288	-	82,268	1,068,556
Bonds & Leases Payable net of unamortized refunding bond cost	26,819,837	202,583	6,130,000	33,152,420
Total Noncurrent Liabilities	27,806,125	202,583	6,212,268	34,220,976
Total Liabilities	30,945,086	441,181	7,539,306	38,925,573
NET ASSETS				
Investment in Capital Assets, net of related debt	58,340,748	99,267	3,450,156	61,890,171
Restricted for:				
Impact Fees	3,784,374	-	-	3,784,374
Debt Service	-	-	724,024	724,024
Unrestricted	5,325,276	3,234,961	284,218	8,844,455
Total Net Assets	\$ 67,450,398	\$ 3,334,228	\$ 4,458,398	\$ 75,243,024

See accompanying notes.

CITY OF SOUTH JORDAN

Statement of Revenues, Expenses, and Changes in Fund Net Assets Proprietary Funds For the Year Ended June 30, 2007

	Business-type Activities - Enterprise Funds			
	Water Fund	Sanitation Fund	Mulligan's Fund	Total
Operating Revenues				
Charges for Services				
Operations	\$ -	\$ 2,155,876	\$ 1,271,602	\$ 3,427,478
Pledged as Security for Revenue Bonds	10,164,920	-	-	10,164,920
Miscellaneous	62,914	-	711	63,625
Total Operating Revenue	<u>10,227,834</u>	<u>2,155,876</u>	<u>1,272,313</u>	<u>13,656,023</u>
Operating Expenses				
Costs of Services	6,161,700	1,456,821	807,468	8,425,989
General and Administrative	759,566	165,092	22,200	946,858
Depreciation	1,891,988	42,887	124,289	2,059,164
Total Operating Expenses	<u>8,813,254</u>	<u>1,664,800</u>	<u>953,957</u>	<u>11,432,011</u>
Operating Income (Loss)	<u>1,414,580</u>	<u>491,076</u>	<u>318,356</u>	<u>2,224,012</u>
Non-Operating Revenues (Expenses)				
Impact Fees	1,610,113	-	-	1,610,113
Increase in Joint Venture	-	225,598	-	225,598
Interest	711,743	28,177	40,080	780,000
Loss on Sale of Capital Assets	(236,326)	-	-	(236,326)
Amortization of Bond Issuance Costs	(362,332)	-	(11,756)	(374,088)
Interest Expense	(460,173)	(11,513)	(319,311)	(790,997)
Grant Revenue	45,000	-	-	45,000
Total Non-Operating Revenue (Expenses)	<u>1,308,025</u>	<u>242,262</u>	<u>(290,987)</u>	<u>1,259,300</u>
Net Income (Loss) Before Contributions and Transfers	<u>2,722,605</u>	<u>733,338</u>	<u>27,369</u>	<u>3,483,312</u>
Contributions and Transfers				
Capital Contributions	8,615,681	43,265	2,272	8,661,218
Transfers In	22,931	-	1,000,000	1,022,931
Transfers Out	(91,322)	(72,171)	(12,213)	(175,706)
Total Contributions & Operating Transfers	<u>8,547,290</u>	<u>(28,906)</u>	<u>990,059</u>	<u>9,508,443</u>
Change in Net Assets	<u>11,269,895</u>	<u>704,432</u>	<u>1,017,428</u>	<u>12,991,755</u>
Total Net Assets - Beginning	<u>56,180,503</u>	<u>2,629,796</u>	<u>3,440,970</u>	<u>62,251,269</u>
Total Net Assets - Ending	<u>\$ 67,450,398</u>	<u>\$ 3,334,228</u>	<u>\$ 4,458,398</u>	<u>\$ 75,243,024</u>

See accompanying notes.

CITY OF SOUTH JORDAN

Statement of Cash Flows Proprietary Funds For The Year Ended June 30, 2007

	Water Fund	Sanitation Fund	Mulligans	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 10,203,594	\$ 2,138,061	\$ 1,267,632	\$ 13,609,287
Payments to Suppliers	(4,573,469)	(1,366,489)	(361,875)	(6,301,833)
Interfund Services	(759,566)	(165,092)	(22,200)	(946,858)
Payments to Employees	(1,140,945)	(47,289)	(463,245)	(1,651,479)
Net cash provided (used) by operating activities	<u>3,729,614</u>	<u>559,191</u>	<u>420,312</u>	<u>4,709,117</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Proceeds from Beckstead Canal	-	-	-	-
Transfers In	22,931	-	1,454,150	1,477,081
Transfers Out	(91,322)	(72,171)	(466,363)	(629,856)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(68,391)</u>	<u>(72,171)</u>	<u>987,787</u>	<u>847,225</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Impact fees	1,610,113	-	-	1,610,113
Purchase of capital assets	(11,864,259)	-	-	(11,864,259)
Proceeds from Developer Contribution	657,113	-	-	657,113
Proceeds from capital debt	22,717,882	-	-	22,717,882
Proceeds from water board grant	45,000	-	-	45,000
Payment of bond issuance costs	(388,401)	-	-	(388,401)
Principal paid on capital debt	(932,688)	(92,124)	(1,129,181)	(2,153,993)
Payment of bond refunding costs	(16,989,034)	-	-	(16,989,034)
Interest paid on capital debt	(1,155,425)	(15,069)	(332,151)	(1,502,645)
Net cash provided (used) by capital and related financing activities	<u>(6,299,699)</u>	<u>(107,193)</u>	<u>(1,461,332)</u>	<u>(7,868,224)</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Interest Income	711,743	28,177	40,080	780,000
Net increase (decrease) in cash and cash equivalents	<u>(1,926,733)</u>	<u>408,004</u>	<u>(13,153)</u>	<u>(1,531,882)</u>
Cash and cash equivalents - beginning of year	16,274,308	409,823	867,896	17,552,027
Cash and cash equivalents - end of year	<u>\$ 14,347,575</u>	<u>\$ 817,827</u>	<u>\$ 854,743</u>	<u>\$ 16,020,145</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating Income (Loss)	\$ 1,414,580	\$ 491,076	\$ 318,356	\$ 2,224,012
Adjustments to reconcile operating income to net cash provided (Used) by operating activities:				
Depreciation expense	1,891,988	42,887	124,289	2,059,164
(Increase) decrease in receivables	(24,240)	(17,815)	1,382	(40,673)
(Increase) decrease in inventory	47,657	-	(6,063)	41,594
(Increase) decrease in other current assets	(27,902)	-	-	(27,902)
Increase (decrease) in accounts payable	429,928	41,225	(26,833)	444,320
Increase (decrease) in accrued liabilities	(3,544)	1,077	7,963	5,496
Increase (decrease) in accrued vacation and sick leave	1,829	741	1,218	3,788
Total Adjustments	<u>2,315,716</u>	<u>68,115</u>	<u>101,956</u>	<u>2,485,787</u>
Net cash provided (used) by operating activities	<u>\$ 3,730,296</u>	<u>\$ 559,191</u>	<u>\$ 420,312</u>	<u>\$ 4,709,799</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets from developers	7,794,173	43,265	2,272	7,839,710
Contributions of capital assets from Governmental Funds	164,395			
Increase in equity investment in Trans-Jordan Landfill	-	225,598	-	225,598

See accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS



CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of South Jordan (the City) financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The City applies FASB pronouncements issued after that date to its business-type activities and enterprise funds. The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Reporting Entity

The City of South Jordan was incorporated on November 8, 1935, under laws of the State of Utah. Under the present form of government, administrative and legislative powers are vested in a governing body, consisting of the Mayor and a five-member City Council. They are assisted by a City Manager, who also is the City's budget officer. The Finance Director is currently responsible for the financial matters of the City, including money management, accounts payable, financial statements, and accounts receivable.

The City provides the following services as mandated by law: Public Safety, Judicial Services, Highways and Streets, Sanitation, Parks, Cemetery, Water, Public Improvements, Planning and Zoning, and General Administrative Services.

The Comprehensive Annual Financial Report of the City includes the financial statements for all activities of the City based upon the criteria set forth in Governmental Accounting Standards Board (GASB) statement 14. The primary criteria for including a board or agency in this report is financial accountability which determines whether an entity is a component unit of the financial reporting entity. Blended component units, although legally separate entities, are in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize they are legally separate from the City.

Blended Component Units

The Municipal Building Authority was created by the City during fiscal year 1995 and is governed by the City's Mayor and Council. The authority uses the proceeds of its tax-exempt bonds to finance the construction or acquisition of general capital assets for the City. The bonds are secured by a lease agreement with the City and will be retired through lease payments from the City. The financial statements of the Municipal Building Authority are included in the accompanying financial statements as a blended component unit.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*CONTINUED*)

The Redevelopment Agency is governed by a separate governing board, who are the City's Mayor and Council. The financial statements of the Redevelopment Agency are included in the accompanying financial statements as a blended component unit.

The Municipal Building Authority and the Redevelopment Agency are considered blended component units since the governing board in each case is the same governing board of the City.

The Municipal Building Authority is presented as a debt service fund and the Redevelopment Agency is presented as a special revenue fund in the financial statements

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices.

South Jordan City Municipal Building Authority
1600 West Town Center Drive
South Jordan City, Utah 84095

South Jordan City Redevelopment Agency
1600 West Town Center Drive
South Jordan City, Utah 84095

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statements of changes in net assets) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*CONTINUED*)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after the year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt as well as expenditures related to compensated absences, claims, and judgments, which are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Only the portion of the special assessments receivable due within the fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General Fund* is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*CONTINUED*)

The *Redevelopment Agency Special Revenue Fund* accounts for the activities of the agency, a blended component unit of the City. The agency is an entity established to further public purpose in the redevelopment of particular City areas.

The *Construction Capital Projects Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary fund).

The government reports the following major proprietary funds:

The *Water Fund* accounts for the activities of the City's water operations.

The *Sanitation Fund* accounts for the activities of the City's sanitation operations.

The *Mulligan's Fund* accounts for the activities of the recreation facility.

Additionally the government reports the following fund types:

Special Revenue Funds are used to account for proceeds of specific revenue sources (other than sources for major capital projects) that are legally restricted to expenditures for specified purposes.

Permanent Funds accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's program.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statement. Exceptions to this general rule are payments to the general fund by the various enterprise funds for providing administrative services for such funds. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*CONTINUED*)

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments consist of amounts deposited with Utah Public Treasurers' Investment Fund, treasury bills of the U.S. Government, and money market funds. Investments are stated at fair value, which approximates cost.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds".

3. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Restricted assets are comprised of cash restricted for future payments of principal and interest on debt services. It is the policy of the City to use restricted assets and then unrestricted assets.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*CONTINUED*)

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and structures	30-50
Improvements other than buildings	20-50
Infrastructure	30-50
Machinery and equipment	5-10
Furniture and fixtures	5-10

6. Compensated Absences

City employees accrue earned vacation and sick leave throughout the year. They are allowed to carry forward into the next calendar year accrued vacation up to 240 hours and all sick leave, but are encouraged to take their vacation leave within the calendar year in which it is earned. All employees are required to take at least one full week of vacation leave during the calendar year. Upon termination of employment, an employee will be compensated for all unused vacation leave, but forfeits any accumulated sick leave.

All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Taxes

In Utah, county governments assess, levy, collect and disburse two principal types of tax: (1) personal property tax which is assessed on business assets other than real estate, and (2) tax on real estate and improvements. Business personal property and real estate taxes attach as an enforceable lien on property as of January 1st. Taxes are levied on all business personal property on January 1st and real estate and improvement taxes are levied on January 1st and are payable by November 30th. The real property taxes that are due in November are reported as a receivable from property taxes on the financial statements. Because these taxes are not considered available to liquidate liabilities of the current period, they are offset by deferred revenue.

The City Council is authorized by state statute to levy a tax against all real and personal property located within its boundaries. The Council must set a tax rate by June 22nd each year. The County Treasurer, acting as a tax collector, must settle and disburse all tax collections to all taxing entities on a routine basis.

8. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the accrual debt proceeds received, are reported as debt service expenditures.

9. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*CONTINUED*)

10. Use of Estimates

Presenting financial statements in conformity with Generally Accepted Accounting Principles requires management to make certain estimates concerning assets, liabilities, revenues, and expenses. Actual results may vary from these estimates.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets.

This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

Capital related items:

When capital assets (property, plant, and equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the city as a whole.

Cost of capital assets	\$211,222,400
Accumulated depreciation	<u>(42,403,897)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ 168,818,503</u>

Long-term debt transactions:

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund statements. All liabilities (both current and long-term) are reported in the statement of net assets.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Bonds payable	\$ 29,440,000
Less: Deferred charge for issuance Costs - (to be amortized over life of debt)	(666,994)
Deferred refunding bond reacquisition costs (to be amortized over life of original debt)	(442,542)
Plus: Bond premium (to be amortized to interest income)	111,313
Accrued interest payable	655,394
Capital lease payable	1,230,603
Compensated absences	714,990
Notes Payable	<u>1,944,054</u>
Net adjustment to reduce <i>fund balance – total governmental funds to arrive at net assets – governmental activities</i>	<u>\$ 32,986,818</u>

Long Term Assets:

Long term assets applicable to the city's governmental activities which are not available to pay expenses of the current period are deferred in the fund statements. However in the statement of net assets, the charges were reported as revenue when earned.

Special assessments	\$6,100,000
Delinquent property taxes	<u>230,827</u>
Net adjustment to increase <i>fund balance – total governmental funds to arrive at net assets – governmental activities</i>	<u>\$ 6,330,827</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

Capital outlay	\$ 7,380,850
Depreciation expense	<u>(6,126,383)</u>

Net adjustment to increase <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 1,254,467</u>
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Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.”

In the statement of activities, only the <i>gain</i> on the sale of capital assets is reported. However, in the Governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	(\$ 230,551)
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Capital assets donated by outside parties are recorded as revenues in the statement of activities, thus the net assets increase by the value of the donated assets	25,283,226
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Capital assets transferred by enterprise funds are recorded as Revenues in the statement of activities, thus the net assets Increase by the value of the transferred assets.	5,376
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CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Capital assets transferred to the business-type activities
Are recorded as transfers in the statement of activities thus
Net assets decrease by the value of the transferred assets (164,395)

Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net assets of governmental activities* \$24,893,656

Another element of that reconciliation states that revenues in the statement of activities that do not provide current financial resources are not reported as revenues and are deferred in the funds.

However in the statements of activities revenue is reported when earned. Thus the change is to reduce revenue by the amount of the previously reported revenue.

Special assessments	(\$375,000)
Delinquent property taxes	<u>(104,406)</u>
Net adjustments	<u>(\$479,406)</u>

Another element of that reconciliation states “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds”. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Debt issued or incurred:	
Sales Tax Refunding Bond	(\$ 9,915,000)
Deferred refunding bond costs	459,784
Capital Lease Proceeds	(304,500)
Issuance cost amortization	(241,461)
Bond Issuance Costs	211,456
Deferred Refunding Costs amortization	<u>(17,242)</u>
Total debt incurred	<u>(9,806,963)</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Principal payments	
Capital leases	569,037
Municipal Building Authority Bond	345,000
Excise tax road bond	290,000
Sales tax revenue bond	9,625,000
Special Improvement Bond	375,000
Notes payable	937,255
Claims and judgments	6,524
Bond premium amortization	<u>7,004</u>
Total principal payments	<u>12,154,820</u>

Net adjustments to decrease *net changes in fund balances-total*
governmental funds to arrive at *changes in net assets of*
governmental activities \$ 2,347,857

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.”

Compensated absences	(\$ 107,241)
Accrued interest	<u>102,531</u>

Net adjustment to decrease *net changes in fund balances – total*
governmental funds to arrive at *changes in net assets of*
governmental activities (\$ 4,710)

NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are prepared and adopted in accordance with the Uniform Fiscal Procedures Act adopted by the State of Utah. Once a budget has been adopted, it remains in effect until it has been formally revised. Furthermore, in accordance with state law, all appropriations lapse at the end of the budget year. If any obligations are contracted for and are in excess of adopted budget, they are

not a valid or enforceable claim against the City. Budgets are adopted on a basis consistent with generally accepted accounting principles. All funds of the City have legally adopted budgets.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING (*CONTINUED*)

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- A. On or before the first regularly scheduled meeting of the City Council in May, the City manager, authorized under state statute to be appointed budget officer, submits a proposed operation budget. The operating budget includes proposed expenditures and the means of financing them.
- B. A public hearing is held at which time the taxpayers' comments are heard. Notice of the hearing is given in the local newspaper at least seven days prior to the hearing. Copies of the proposed budget are made available for public inspection ten days prior to the public hearing.
- C. On or before June 22nd, a final balanced budget must be adopted through passage of a resolution for the subsequent fiscal year beginning July 1st.
- D. Control of budgeted expenditures is exercised, under state law, at the departmental level. The City manager, however, acting as budget officer, has the authority to transfer budget appropriations between line items within any department of any budgetary fund. The City Council, by resolution, has the authority to transfer budget appropriations between the individual departments of any budgetary fund.
- E. Budget appropriations for any department may be reduced by resolution.
- F. A public hearing as required in B) above, must be held to increase the total appropriations of any one governmental fund type; however, after the original public hearing, operating and capital budgets of proprietary fund types may be increased by resolution without an additional hearing.
- G. Encumbrances lapse at year end. Encumbered amounts carry over to the following year and are subject to reappropriation. Therefore, no encumbrances are presented in the financial statements.

During the budget year, the City modified the budget on several occasions using the above procedures.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. At June 30, 2007 the City's cash balance consisted of the following:

	<u>Total Cash from All Fund Types</u>
Cash, Cash Equivalents, and Temporary Cash Investments	\$42,212,268
Cash and Cash Equivalents – Permanent Fund	<u>471,232</u>
Total Cash and Cash Equivalents	<u>\$42,683,500</u>

While the City's carrying amount of deposits was \$42,683,500 the balance in the City's bank account and cash on hand was \$43,273,502, with the difference being due to outstanding checks and deposits in transit.

A. Custodial Credit Risk

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. The City's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the City to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As June 30, 2007 the Deposits are as follows:

<u>Depository Account</u>	<u>Custodial Credit Risk</u>	<u>Balance June 30, 2007</u>
Checking and Cash on Hand	Insured	\$ 13,110
Investment Sweep	Uninsured and	
	Uncollateralized	<u>1,580,720</u>
Total Deposits		<u>\$ 1,593,830</u>

Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk of investments. The entire \$25,174,785 of the City's various investments are uninsured, unregistered, and held by the counterparty's Trust department but not in the City's name and are therefore exposed to custodial credit risk.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (*CONTINUED*)

B. Credit Risk

Credit Risk is the risk that the counterparty to an investment will not fulfill its obligations. The city's policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, one of which must be Moody's investor Service or Standard and Poors; bankers acceptances; obligations of the US treasury and U.S. government sponsored enterprise; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rated securities rated "A" or higher by two nationally recognized statistical rating services as defined in the Act.

The City is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants average daily balances. The following are the City's investments as of June 30, 2007:

Investments	Investment Maturities (in Years)				Quality Ratings
	Less Than 1	1-5	6-10	More than 10	
Collateralized Money					
Market	\$ 10,767,348	\$ -	\$ -	\$ -	Unrated
Uncollateralized Money					
Market	371,737				unrated
Utah Public Treasurer's Investment Fund	18,042,835				Unrated
Commerical Paper	9,379,426			-	AAA
U.S. Agencies		999,374		-	AAA
Corporate Notes	2,118,952				AAA
Total Investments	\$ 40,680,298	\$ 999,374	\$ -	\$ -	

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (*CONTINUED*)

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of the investment. The City manages its disclosure to declines in fair value by adhering to the Money Management Act. The Act requires that the remaining term to maturity of the investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days. The City's maturity of its investment in commercial paper is 13 days. Fixed rate negotiable deposits and corporate obligations to 365 days or less. Maturities of the City's investments are noted above.

D. Concentration of Credit risk.

Concentration of credit risk is the risk of loss attributed to the magnitude of a City's investment in a single issuer. The City's policy to limit this risk is to adhere to the rules of the Money Management Council. The Council's rule 17 limits investments in a single issuer of commercial paper and corporate obligations to between 5 and 10 percent depending on the total dollar amount held in the City's portfolio at the time of purchase.

Of the City's investments none are more than 8% of the portfolio in one particular issuer. Therefore, the City is within the limits established by the Council's rule 17.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 5 - RECEIVABLES

Receivables as of year end for the government's individual major fund and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	RDA	Construction	Water	Sanitation	Nonmajor Governmental	Total
Receivables:								
Accounts	50,670	\$ -	\$ -	\$ -	\$ 2,138,403	\$ 293,636	\$ 107,807	\$ 2,590,516
Property Tax	5,602,149	-	3,725,257	-	-	-	-	9,327,406
Other Taxes	1,763,867	-	-	-	-	-	-	1,763,867
Special								-
Assessments	-	6,100,000	-	-	-	-	-	6,100,000
Intergovernmental	396,036	-		209,106	45,000		2,367	652,509
Less Allowance							-	-
For uncollectible								-
Accounts	-	-	-	-	(32,076)	(4,405)	(1,617)	(38,098)
	<u>\$ 7,812,722</u>	<u>\$ 6,100,000</u>	<u>\$ 3,725,257</u>	<u>\$ 209,106</u>	<u>\$ 2,151,327</u>	<u>\$ 289,231</u>	<u>\$ 108,557</u>	<u>\$ 20,396,200</u>

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2007 is as follows:

Note to/ Note from other funds:

<u>Receivable fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects	Mulligans Fund	\$ 41,804

Interfund balances are created to finance the purchase of Golf carts for the Mulligans Golf Course. The note will be paid over 5 years and carries a 5.25% interest rate. The long-term portion at June 30, 2007 is \$32,141.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Interfund Transfers:

	Transfer Out					Total
	General	Construction	RDA	Nonmajor Govrnmtl.	Business Type	
Transfer In:						
General	\$ -	\$ -	\$ 157,324	\$ 61,832	\$ -	\$ 219,156
Debt Service	173,409	2,052,159	335,550	-	161,197	2,722,315
Construction	5,454,034	-	-	226,292	11,858	5,692,184
Nonmajor Govtl.	1,069,550	37,425	726,811	41,952	2,651	1,878,389
RDA	-	-	-	-	-	-
Business Type	-	1,022,931	-	-	-	1,022,931
Total Transfer Out	<u>\$6,696,993</u>	<u>\$ 3,112,515</u>	<u>\$ 1,219,685</u>	<u>\$ 330,076</u>	<u>\$ 175,706</u>	<u>\$ 11,534,975</u>

The City transferred monies between funds to support debt service payments in the debt service fund. Also, the City transferred monies to support related capital expenditures in the construction fund.

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (general fund)	\$ -	\$5,282,079
Delinquent Property Taxes (general fund)	230,827	-
Property taxes receivable (redevelopment agency)	-	3,725,257
Special assessments not yet due (debt service fund)	<u>6,100,000</u>	<u>-</u>
Total deferred/unearned revenue for governmental funds	<u>\$6,330,827</u>	<u>\$9,007,336</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007 was as follows:

Primary Government	Beginning				Ending
Governmental activities:	Balance	Transfers	Increases	Decreases	Balance
Capital assets not being depreciated:					
Land	\$ 20,736,196		\$ 13,209,139	\$ 141,992	\$ 33,803,343
Construction in progress	4,416,128		1,724,628	2,214,191	3,926,565
Total capital assets not being depreciated	25,152,324	0	14,933,767	2,356,183	37,729,908
Capital assets being depreciated:					
Buildings	19,261,969				19,261,969
Machinery and equipment	9,202,100	(125,894)	2,084,964	890,934	10,270,235
Improvements	126,113,498	(12,750)	17,859,539		143,960,287
Total capital assets being depreciated	154,577,567	(138,645)	19,944,503	890,934	173,492,491
Less accumulated depreciation for:					
Buildings	2,492,517		657,795		3,150,312
Improvements	29,252,836	(10,201)	4,299,207		33,541,842
Machinery and equipment	5,314,157	30,576	1,169,381	802,372	5,711,742
Total accumulated depreciation	37,059,510	20,375	6,126,385	802,372	42,403,896
Total capital assets, being depreciated, net	117,518,057	(159,020)	13,818,119	88,562	131,088,595
Governmental activities capital assets, net	\$ 142,670,381	\$ (159,020)	\$ 28,751,886	\$ 2,444,745	\$ 168,818,503
Business-type activities:	Beginning				Ending
	Balance	Transfers	Increases	Decreases	Balance
Capital assets not being depreciated:					
Land	\$ 12,134,910		\$ -	\$ -	\$ 12,134,910
Construction in progress	2,891,958		10,748,529		13,640,487
Water Shares	18,080,182		548,188		18,628,370
Total capital assets not being depreciated	33,107,050	0	11,296,717	0	44,403,767
Capital assets being depreciated:					
Buildings	1,960,145		-	-	1,960,145
Improvements	48,271,833		8,354,072	378,071	56,247,834
Machinery and equipment	2,234,995	138,644	53,179	340,162	2,086,656
Total capital assets being depreciated	52,466,973	138,644	8,407,251	718,233	60,294,635
Less accumulated depreciation for:					
Buildings	398,232		79,927	-	478,159
Improvements	8,873,311		1,760,050	147,122	10,486,239
Machinery and equipment	1,307,906	(20,375)	219,187	340,163	1,166,555
Total accumulated depreciation	10,579,449	(20,375)	2,059,164	487,285	12,130,953
Total capital assets, being depreciated, net	41,887,524	159,019	6,348,087	230,948	48,163,682
Business-type activities capital assets, net	\$ 74,994,574	\$ 159,019	\$ 17,644,804	\$ 230,948	\$ 92,567,449

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 7 – CAPITAL ASSETS (*CONTINUED*)

Depreciation expense was charged to functions/programs of the primary government as follows:

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 233,156
Public safety	223,022
Municipal Services	5,159,393
Finance and Admin. Services	510,812
Total depreciation expense - governmental activities	<u>6,126,383</u>

Business-type activities:

Water	1,891,988
Mulligans	124,289
Sanitation	42,887

Total depreciation expense - Business-Type Activities	<u>2,059,164</u>
Total depreciation expense	<u>\$ 8,185,547</u>

Construction commitments

The government has various construction projects as of June 30, 2007. The government's commitments with contractors are as follows:

<u>Project</u>	<u>Remaining Commitment</u>
Park Projects	\$ 110,411
Storm Drain Projects	389,936
Water Projects	1,518,693
Road Projects	343,912
Total	<u>\$ 2,362,952</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 8 - LEASE COMMITMENTS

The City during 2002 executed a new lease in the amount of \$1,428,000 payable in annual installments for 5 years. During 2003, the City executed a new lease in the amount of \$567,577 payable in annual installments over 10 years. Also during 2003, the City executed a new lease in the amount of \$291,586 payable in annual installments over 6 years.

The City during 2006 executed a new lease in the amount of \$1,398,000 payable in annual installments for 5 years.

The City during 2007 executed a new lease in the amount of \$304,500 payable in annual installments for 5 years.

The assets acquired through capital leases are as follows:

	Governmental <u>Activities</u>
Asset:	
Machinery and Equipment	\$3,611,946
Less: Accumulated Amortization	<u>(2,087,722)</u>
Total	<u>\$1,524,224</u>

Amortization of capital assets purchased under capital leases are included in depreciation.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 8 - LEASE COMMITMENTS (CONTINUED)

The present value of future minimum capital lease payments under these leases as of June 30, 2007 are:

Fiscal Year	Governmental Amount	Business-type Amount	Total Amount
2008	377,558	127,777	505,335
2009	377,559	127,775	505,334
2010	324,664	127,775	452,439
2011	139,644		139,644
2012	139,646		139,646
Total Minimum lease payments	\$ 1,359,071	\$ 383,327	\$ 1,742,398
Less amounts representing interest	(128,467)	(27,794)	(202,148)
Present value of minimum lease payments	<u>\$ 1,230,604</u>	<u>\$ 355,533</u>	<u>\$ 1,540,250</u>

At June 30, 2007 the City's capital leases payable balance consisted of the following:

	Capital Leases Payable Governmental	Capital Leases Payable Business-type	Capital Leases Payable All Fund Types
Capital Leases Payable	\$ 1,230,604	\$ 355,533	\$ 1,586,137
Current Portion Capital Lease Payable	(326,439)	(114,053)	(440,492)
Long Term Capital Leases Payable	<u>\$ 904,165</u>	<u>\$ 241,480</u>	<u>\$ 1,145,645</u>

NOTE 9 - LONG-TERM DEBT

Bonds and notes payable at June 30, 2007, are comprised of the following:

Revenue Bonds:

Sales Tax Revenue Bond:

\$15,000,000 Sales Tax Revenue Bond due in annual principal and semi-annual interest payments through August, 2014 - Interest is at varying rates from 3.50 to 5.20%

Debt was partially defeased with new bond issue: \$ 3,730,000

2007 Sales Tax Refunding Bond:

\$9,915,000 Sales Tax Revenue Refunding Bond due in annual Principal payments and semi-annual interest payments through August 2026- Interest is at varying rates form 4.00 to 4.25% \$ 9,915,000

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 9 - LONG-TERM DEBT (CONTINUED)

2002 Lease Revenue Bond:

\$9,390,000 Revenue Series Bond due in annual principal and semi-annual interest payments through September of 2023 - Interest is at a varying rate from 2.50% to 4.00% 8,385,000

Excise Tax Road Bond:

\$2,865,000 Excise Tax Road Bonds due in annual principal and semi-annual interest payments through November 2010 - Interest is at a varying rate from 4.90 to 5.00% 1,310,000

Water Revenue Bonds:

\$3,400,000 Water Revenue Bonds due in annual principal and semi-annual interest payments through November 2020 - interest is at a varying rate from 4.40 to 5.50% Debt was Partially Defeased with new bond issue. 595,000

2003 Water Revenue Bonds:

\$22,480,000 Water Revenue Bonds due in annual principal and semi-annual interest payments through March 2024 – interest at a varying rate from 3.00% to 5.00%. Debt was partially defeased with new bond issue 6,345,000

2007 Water Revenue Refunding Bond:

\$21,950,000 Water Revenue Refunding Bond due in annual principal payments and semi-annual interest payments through November 2026 – Interest is at a varying rate from 4.75% 21,950,000

2006 Municipal Building Authority Bond:

\$9,505,000 Municipal Authority Bond due in annual principal and interest payments through February 2029 – interest is at a varying rate from 3.00% to 4.00% 7,285,000

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 9 - LONG-TERM DEBT (CONTINUED)

Fiscal Year	Revenue Bonds			
	Governmental		Business-Type	
	Principal	Interest	Principal	Interest
2008	1,105,000	992,082	2,270,000	1,539,263
2009	1,145,000	948,210	1,380,000	1,497,007
2010	1,190,000	901,458	1,425,000	1,441,308
2011	1,230,000	851,350	1,500,000	1,383,167
2012	920,000	806,888	1,560,000	1,321,174
2013-2017	5,245,000	3,376,880	8,915,000	5,447,126
2018-2022	6,620,000	2,012,972	11,115,000	3,082,873
2023-2027	5,885,000	541,310	7,170,000	832,960
2028-2032			840,000	57,148
Total	<u>\$ 23,340,000</u>	<u>\$ 10,431,150</u>	<u>\$ 36,175,000</u>	<u>\$ 16,602,026</u>

Special Assessment Bond:

2002 Special Assessment Bond:

\$7,470,000 Special Assessment Bond due in annual principal
and interest payments through November 2017 -

Interest is at a varying rate from 5.50% to 6.875% \$ 6,100,000

Fiscal Year	Special Assessment Bond	
	Governmental	
	Principal	Interest
2008	395,000	410,206
2009	420,000	387,494
2010	445,000	363,344
2011	475,000	332,750
2012	505,000	300,094
2013-2017	3,105,000	928,125
2018-2022	755,000	51,906
Total	<u>\$ 6,100,000</u>	<u>\$ 2,773,919</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 9 – LONG-TERM DEBT (CONTINUED)

Notes Payable:

Note Payable - Zions:

\$1,500,000 Line of Credit with semi-annual principal and interest payments through December 2012 – interest rate at 4.75% \$1,013,185

Note Payable:

\$380,652 Note Payable on land purchase with annual principal and interest payments through April 2009 – interest rate of 5% 163,482

Note Payable:

\$420,000 Note Payable on a building purchase with annual principal and interest payments through August 2014 – interest rate of 5% 314,561

Note Payable:

\$631,256 note payable on a land purchase with annual Principal and interest payments through July 2007 – Interest rate of 5.5% 315,628

Note Payable:

\$273,294 note payable to URMMA. This payable is a result of insurance claims against the City. The additions reflect new insurance claims. The deductions represent payments made to URMMA. Payable over five years - due quarterly – This note bears no interest 137,198

Fiscal Year	Notes Payable Governmental	
	Principal	Interest
2008	599,340	87,457
2009	297,570	56,231
2010	224,196	41,688
2011	235,053	30,831
2012	347,406	27,093
2013-2017	103,293	2,453
Total	\$ 1,806,858	\$ 245,753

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 9 – LONG-TERM DEBT (CONTINUED)

The future annual requirements for all outstanding bond and note obligations as of June 30, 2007 are as follows:

Fiscal Year	All Bonds and Notes		
	Principal	Interest	Total
2008	4,369,340	3,029,008	7,398,348
2009	3,242,570	2,888,942	6,131,512
2010	3,284,196	2,747,798	6,031,994
2011	3,440,053	2,598,098	6,038,151
2012	3,332,406	2,455,249	5,787,655
2013-2017	17,368,293	9,754,584	27,122,877
2018-2022	18,490,000	5,147,751	23,637,751
2023-2027	13,055,000	1,374,270	14,429,270
2028-2032	840,000	57,148	897,148
Total	<u>\$ 67,421,858</u>	<u>\$ 30,052,848</u>	<u>\$ 97,474,706</u>

During Fiscal year 2007 the City issued \$9,915,000 of Sales Tax Revenue bonds to provide resources to purchase U.S. Government State and Local Government Series Securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$11,665,200 of the Series 2001 Sales tax revenue bonds. As a result \$9,240,000 of the principal is considered to be defeased and has been removed from the governmental activities column of the statement of the net assets. Due to call restrictions \$3,730,000 of the original bond is still outstanding and will be paid by the City. The reacquisition price exceeded the net carrying amount of the old debt by \$459,784 This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than life of the new debt issued. The advance refunding was undertaken to reduce total debt service payments over the next 19 years by \$842,399 and resulted in an economic gain of \$522,584

In addition the City issued \$21,950,000 of Water Revenue bonds to provide resources to purchase U.S. Government State and Local Government Series Securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$21,160,447 of the Series 2000 and Series 2003 water revenue bonds. As a result \$16,905,000 of the outstanding principal from these two bonds is considered to be defeased and has been removed from the business-type activities column of the statement of the net assets. Due to call restrictions \$6,940,000 of the original bonds are still outstanding and will be paid by the City. The reacquisition price exceeded the net carrying amount of the old debts by \$999,034. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than life of the new debt issued. The advance refunding was undertaken to reduce total debt service payments over the next 19 years by \$724,751 and resulted in an economic gain of \$464,695

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 9 – LONG-TERM DEBT (CONTINUED)

Changes in Long Term Debt

	July 1 2006	Additions	Reductions	June 30 2007	Due in One Yr
Governmental Activities:					
Bonds Payable:					
Excise tax road bonds	\$ 1,600,000	\$ -	\$ 290,000	\$ 1,310,000	\$ 305,000
Sales tax revenue bond	13,355,000	-	9,625,000	3,730,000	400,000
Sales tax revenue refunding bond	-	9,915,000	-	9,915,000	50,000
2002 Lease revenue bond	8,730,000	-	345,000	8,385,000	350,000
Special Assessment bond	6,475,000	-	375,000	6,100,000	395,000
Less Deferred amount on refunding	-	(459,784)	(17,242)	(442,542)	
Total bonds payable	30,160,000	9,455,216	10,617,758	28,997,458	
Note Payable - Zions	1,170,910	-	157,724	1,013,186	165,306
Notes payable	239,431	-	75,949	163,482	79,747
Notes payable	351,376	-	36,815	314,561	38,655
Notes Payable - Land	351,138	-	351,138	-	-
Notes Payable - Land	631,256	-	315,628	315,628	315,628
Capital leases	1,495,140	304,500	569,037	1,230,602	326,439
Compensated absences	607,749	107,241	-	714,990	714,990
Claims and judgments	143,722	55,486	62,010	137,198	137,198
Gov't Activities long-term Debt	<u>\$ 35,150,722</u>	<u>\$ 9,922,443</u>	<u>\$12,186,059</u>	<u>\$32,887,105</u>	<u>\$ 3,277,963</u>
Business Type Activities:					
Bonds Payable:					
2003 Water revenue bond	\$ 21,000,000	\$ -	\$14,655,000	\$ 6,345,000	\$ 800,000
Water revenue bond	2,845,000	-	2,250,000	595,000	140,000
2007 Water revenue Refunding Bond	-	21,950,000	-	21,950,000	175,000
Refunding Municipal Building Bond	8,405,000	-	1,120,000	7,285,000	1,155,000
Less Deferred amount on refunding	-	(999,034)	(4,974)	(994,060)	
Total bonds payable	32,250,000	20,950,966	18,020,026	35,180,940	
Capital leases	465,344	-	109,812	355,532	114,053
Compensated absences	23,187	3,787	-	26,974	26,974
Business-type Activities long-term Debt	<u>\$ 32,738,532</u>	<u>\$20,954,754</u>	<u>\$18,129,839</u>	<u>\$35,563,446</u>	<u>\$ 2,411,027</u>

NOTE 10 - RETIREMENT PLAN

Plan Description. The City of South Jordan contributes to the Local Governmental Contributory Retirement System and Local Governmental Noncontributory Retirement System, Public Safety Retirement System, and Fire Fighters Retirement System which are for employers with Social Security coverage cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 10 - RETIREMENT PLAN (CONTINUED)

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, Public Safety Retirement System, and Fire Fighters Retirement System which are for employers with Social Security coverage. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah, 84102 or by calling 1-800-365-8772.

Funding Policy.

In the Utah Retirement Public Employees Contributory Retirement System Plan, members are required to contribute 6.0% of their annual covered salary (all or part may be paid by the employer for the employee). The City has chosen to contribute 5.0% of the member's required contribution. In addition, the City is required to contribute 7.58% of the member's annual covered salary. In the Utah Retirement Public Safety Contributory Retirement System for employers with Social Security Coverage Plan, members are required to contribute 12.29% of their salary (all or part may be paid by the employer for the employee). The City has chosen to contribute 4.38% of the members required contribution. In addition the City is required to contribute 7.95% of the member's annual covered salary. In the Utah Retirement Fire Fighters Retirement System for employers with Social Security Coverage Plan, members are required to contribute 10.84% of their annual covered salary (all or part may be paid by the employer for the employee). The City has chosen to contribute 9.84% of the members required contribution. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the board.

The City contributions to the Local Governmental Contributory Retirement System for the years ending June 30, 2007, 2006, and 2005 were \$909,306, \$736,749, and \$653,231, respectively. The contributions were equal to the required contributions for each year.

For the Public Safety Retirement System the contributions for June 30, 2007, 2006, and 2005, were \$431,483, \$224,871, and \$195,739, respectively and for the Fire Fighters Retirement System the contributions for June 30, 2007, 2006, and 2005, were \$205,041, \$137,104, and \$112,356, respectively. The contributions were equal to the required contributions for each year.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Litigation - The City is a defendant in certain legal actions and pending actions, or in process for miscellaneous claims. The ultimate liability that might result from the final resolution of the above matters is not presently determinable. City management is of the opinion that the final outcome of the cases will not have an adverse material affect on the City's financial statements.

NOTE 12 - RESERVED FUND BALANCES

The City has reserved fund balance amounts for inventory, prepaid expenses, unspent grant proceeds, and providing perpetual maintenance care for the cemetery. The City has reserved net assets in the Water Fund and fund balance in the Capital Projects Fund for unspent impact fees. These fees will be used to construct appropriate projects as designated by the impact fee ordinance. The City has reserved net assets in the Water Fund and fund balance in the Debt Service fund for the Debt Service requirement of the bonds acquired. The City has also reserved fund balance in the Capital Projects fund for long-term receivables.

NOTE 13 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the Utah Risk Management Mutual Association (a public entity risk pool). All claims are submitted to the Utah Risk Management Mutual Association which acts as a commercial insurer. The Association is obligated to pay all claims covered by its plan. All claims are subject to a \$7,500 deductible. The deductible is accrued as a current liability when the claim is incurred. The Utah Risk Management Mutual Association covers claims up to \$6,000,000. The City has not incurred a claim in excess of its coverage for any of the past three fiscal years.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 14 - REDEVELOPMENT AGENCY

The Redevelopment Agency of South Jordan City is established to further public purposes in the redevelopment of certain City areas. For the year ended June 30, 2007 the following activity occurred in the City ' s Redevelopment Agency:

Tax increment collection from other taxing agencies for various project areas	\$3,935,628
Tax increment paid to other taxing agencies	1,453,327
Outstanding loans to finance RDA projects	478,043
 Amounts expended for installation of public utilities and other public improvements	 498,946
Amounts expended for administrative costs	334,475

NOTE 15 - EQUITY IN JOINT VENTURE

Trans - Jordan Cities

City of South Jordan joined in a joint venture with several other municipalities to create the Trans-Jordan Cities Landfill (Trans-Jordan). Trans-Jordan was created for the purpose of operating and maintaining a landfill for the benefit of member municipalities. The City uses the equity method to account for its investment in the association.

A. Ownership

In accordance with the Utah Inter-local Cooperation Act (which created Trans-Jordan), all assets revert to the participating cities upon dissolution. Participant's share of these assets are based on each participating City's payment of usage fees and charges in proportion to fees paid by all participating cities for the preceding ten fiscal years. Member's participating interests are adjusted according to the above formula annually. As of June 30, 2007, these percentages are as follows:

<u>Participating Cities</u>	<u>Fees & Charges For Ten Preceding Years</u>	<u>Percent</u>
Midvale City, Utah	\$ 1,058,371	5.83%
Murray City, Utah	1,674,216	9.22%
Sandy City, Utah	5,979,807	32.92%
South Jordan City, Utah	1,919,261	10.56%
West Jordan City, Utah	4,675,531	25.74%
Draper City, Utah	1,384,618	7.62%
Riverton City, Utah	1,474,473	8.11%
Total	\$ 18,166,277	100.00%

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 15 - EQUITY IN JOINT VENTURE (CONTINUED)

B. Management

Trans-Jordan's Board of Directors governs the operations of Trans-Jordan through management employed by the Board. Since Trans-Jordan is subject to the same laws as the creating entities, it must follow State law for cities in the areas of fiscal management, budgeting, and financing.

C. Financial Summary

	<u>Trans-Jordan Cities</u>	<u>South Jordan City's Share</u>
Total Assets	\$ 21,954,664	\$ 2,318,413
Total Liabilities	\$ 4,558,850	\$ 481,415
Total Equity	\$ 17,395,814	\$ 1,836,998
Total Operating Revenues	5,411,884	\$ 571,495
Total Operating Expenses	4,937,879	\$ 521,440
Net Operating Income	474,005	\$ 50,055
Total Non-operating Income (Expense)	1,662,344	\$ 175,544
Net Income	\$ 2,136,349	\$ 225,598

D. Debt

The joint venture has the following long-term debt:

	<u>Total Amount</u>	<u>South Jordan City's Share</u>
Closure and Post-closure Liability	\$3,900,000	\$411,840

E. Address

Audited financial statements for Trans-Jordan Cities are available at the Trans-Jordan office.

Trans-Jordan Cities
10873 South 7200 West
South Jordan, UT 84095

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF SOUTH JORDAN

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property Tax - Current	\$ 4,365,000	\$ 4,451,179	\$ 4,396,190	\$ (54,989)
Property Tax - Delinquent	110,000	124,103	157,218	33,115
Motor Vehicle Tax	375,000	416,521	501,645	85,124
Sales & Use Tax	5,064,062	6,110,214	6,481,322	371,108
Telecommunication Fee	772,000	853,935	877,001	23,066
Penalties & Interest	7,500	14,220	14,052	(168)
Energy Sales & Use Tax	1,698,090	1,732,785	1,824,497	91,712
Total Taxes	12,391,652	13,702,957	14,251,925	548,968
Licenses & Permits				
Building Permits	2,090,606	3,043,661	3,279,616	235,955
Business Licenses	107,000	137,087	134,611	(2,476)
Solid Waste License Fee	42,000	138,188	164,017	25,829
Innkeeper Fee	25,200	34,550	47,377	12,827
Miscellaneous	36,250	90,723	90,513	(210)
Total Licenses & Permits	2,301,056	3,444,209	3,716,134	271,925
Intergovernmental Revenues				
Federal Grants	315,659	264,048	269,304	5,256
State Grants	42,101	199,147	226,291	27,144
Class "C" Road Allotment	1,285,000	1,547,112	1,586,547	39,435
Liquor Fund Allotment	25,000	25,000	34,395	9,395
Total Intergovernmental	1,667,760	2,035,307	2,116,537	81,230
Charges for Services				
Ambulance Fees	408,750	510,752	496,891	(13,861)
Engineering Fees	263,000	433,776	468,393	34,617
Plan Check Fees	1,050,000	1,644,281	1,789,535	145,254
Zoning & Subdivision Fees	136,300	204,299	239,267	34,968
General Public Sanitation	173,310	174,332	175,495	1,163
Other Services	1,804,634	1,930,780	2,082,263	151,483
Total Charges for Services	3,835,994	4,898,220	5,251,844	353,624
Fines and Forfeitures	1,200,000	1,140,720	1,089,849	(50,871)
Misc Revenue				
Investment Earnings	173,290	565,604	582,891	17,287
Sundry Revenue	46,725	127,297	102,037	(25,260)
Total Misc Revenue	220,015	692,901	684,928	(7,973)
Total Revenue	21,616,477	25,914,314	27,111,217	1,196,903

See accompanying notes.

CITY OF SOUTH JORDAN

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
EXPENDITURES				
General Government				
General Administration	\$ 1,116,328	\$ 1,049,355	\$ 893,895	\$ 155,460
Police	4,673,850	4,193,851	4,033,327	160,524
Legal	303,463	422,346	362,388	59,958
Total General Government	<u>6,093,641</u>	<u>5,665,552</u>	<u>5,289,610</u>	<u>375,942</u>
Community Services				
Administration	366,653	356,033	339,450	16,583
Municipal Court	262,689	402,146	389,525	12,621
Ordinance Enforcement	-	149,325	145,606	3,719
Parks & Recreation	<u>1,988,296</u>	<u>2,090,286</u>	<u>1,958,186</u>	<u>132,100</u>
Total Community Services	<u>2,617,638</u>	<u>2,997,790</u>	<u>2,832,767</u>	<u>165,023</u>
Municipal Services				
Administration	678,444	539,085	429,302	109,783
Fire	3,440,858	3,771,056	3,749,098	21,958
Streets and Roads	1,591,443	1,694,979	1,634,671	60,308
Development Services	<u>2,501,299</u>	<u>2,439,653</u>	<u>2,347,909</u>	<u>91,744</u>
Total Municipal Services	<u>8,212,044</u>	<u>8,444,773</u>	<u>8,160,980</u>	<u>283,793</u>
Administrative Services				
Administration	1,899,649	1,940,175	1,872,539	67,636
Finance	631,472	699,537	676,097	23,440
Asset Management	<u>1,119,674</u>	<u>1,279,084</u>	<u>1,176,106</u>	<u>102,978</u>
Total Finance & Administrative Services	<u>3,650,795</u>	<u>3,918,796</u>	<u>3,724,742</u>	<u>194,054</u>
Total Expenditures	<u>20,574,118</u>	<u>21,026,911</u>	<u>20,008,099</u>	<u>1,018,812</u>
Excess (Deficiency) of revenues				
Over Expenditures	<u>1,042,359</u>	<u>4,887,403</u>	<u>7,103,118</u>	<u>2,215,715</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	205,324	205,324	219,156	13,832
Operating Transfers Out	(1,247,683)	(5,097,358)	(6,696,993)	(1,599,635)
Sale of Capital Assets	-	-	70,641	70,641
Total Other Financing Sources (Uses)	<u>(1,042,359)</u>	<u>(4,892,034)</u>	<u>(6,407,196)</u>	<u>(1,515,162)</u>
Net Change in Fund Balance	-	(4,631)	695,922	700,553
Fund Balance - July 1	<u>3,889,968</u>	<u>3,889,968</u>	<u>3,889,968</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 3,889,968</u>	<u>\$ 3,885,337</u>	<u>\$ 4,585,890</u>	<u>\$ 700,553</u>

See accompanying notes.

CITY OF SOUTH JORDAN

Redevelopment Agency Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 3,171,000	\$ 3,935,628	\$ 3,935,628	\$ -
Interest	-	-	31,730	31,730
Miscellaneous	19,856	19,856	20,011	155
Total Revenue	<u>3,190,856</u>	<u>3,955,484</u>	<u>3,987,369</u>	<u>31,885</u>
EXPENDITURES				
General Government	455,147	534,288	334,476	199,812
Capital Outlay & Projects	306,358	602,502	498,946	103,556
Tax Increment Distributions	910,374	1,438,031	1,453,327	(15,296)
Debt Service				
Principal Retirement	296,808	112,764	112,764	-
Interest and Fees	2,500	32,128	29,549	2,579
Total Expenditures	<u>1,971,187</u>	<u>2,719,713</u>	<u>2,429,062</u>	<u>290,651</u>
Excess (Deficiency) of revenues Over Expenditures	<u>1,219,669</u>	<u>1,235,771</u>	<u>1,558,307</u>	<u>322,536</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers Out	(1,219,669)	(1,219,685)	(1,219,685)	-
Total Other Financing Sources (Uses)	<u>(1,219,669)</u>	<u>(1,219,685)</u>	<u>(1,219,685)</u>	<u>-</u>
Net Change in Fund Balance	-	16,086	338,622	322,536
Fund Balance - July 1	433,785	433,785	433,785	-
Fund Balance - June 30	<u>\$ 433,785</u>	<u>\$ 449,871</u>	<u>\$ 772,407</u>	<u>\$ 322,536</u>

See accompanying notes.

CITY OF SOUTH JORDAN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2007

1. **BUDGETARY INFORMATION**

Budgets for the general fund and the redevelopment agency are adopted and presented on a basis consistent with generally accepted accounting principles.

SUPPLEMENTARY INFORMATION



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The Special Revenue Funds of the City are as follows:

- 1) **Glenmoor Special Services District** - This fund is used to account for the activities of the Special Services District. The District is an entity established to provide and maintain recreation services and facilities for City citizens residing within the District.
- 2) **Historical Preservation** - This fund is used to account for activities associated with printing and distribution of a historical publication of the City.
- 3) **Parkway Care** - This fund is used to account for funds set aside for expenditures related to special roadside improvements in selected areas of the City.
- 4) **Street Lighting** - This fund is used to track revenue from a monthly fee paid by City residents for maintenance and installation of City street lights.
- 5) **Storm Drain** - This fund is used to track revenue from a monthly fee paid by City residents for the maintenance of the City's storm drain system.
- 6) **Recreation Programs** - This fund is used to track revenue and expenditures dealing with the City's sports and recreation programs.
- 7) **CDBG Fund** - This fund is used to account for the revenues received by the City as a grantee participant in the Community Development Grant Program.
- 8) **Risk Management Fund** - This fund is used to account for revenues transferred and accumulated to pay future risks and workers compensation claims.
- 9) **Public Arts Fund** - This fund is used to account for revenues transferred and accumulated to pay future public art related projects.
- 10) **Recreation Center Fund** - This fund is used to account for fees charged to users and expenditures dealing with maintenance of the facility.

NONMAJOR GOVERNMENTAL FUNDS

continued

Debt Service Fund

The Municipal Building Authority is presented as a debt service fund. The authority uses the proceeds of its tax exempt bonds to finance the construction or acquisition of general capital assets for the City.

1) **Municipal Building Authority (MBA)**

This fund is used to account for the construction of capital facilities of the City.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

- 1) **Cemetery Perpetual Care Fund** - This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the community cemetery.

CITY OF SOUTH JORDAN
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Special Revenue						Special Revenue				Debt Service	Permanent	
	Glenmoor	Historical	Parkway Care	Street Lighting	Storm Drain	Recreation	CDBG	Risk Management	Public Arts	Rec Center	MBA	Cemetery	Total
ASSETS													
Cash & Cash Equivalents	\$ 665	\$ 82,522	\$ 1,285,760	\$ 143,777	\$ 231,301	\$ 61,293	\$ 18,215	\$ 109,493	\$ 64,859	\$ 169,875	\$ 159,790	\$ 471,233	\$ 2,798,783
Restricted for Debt Services	-	-	-	-	-	-	-	-	-	-	\$ 726,863	\$ -	\$ 726,863
Receivables													
Accounts Receivable	-	-	-	1,709	104,481	-	-	-	-	-	-	-	106,190
Other Receivables	-	-	-	-	-	-	2,367	-	-	-	-	-	2,367
Total Assets	<u>\$ 665</u>	<u>\$ 82,522</u>	<u>\$ 1,285,760</u>	<u>\$ 145,486</u>	<u>\$ 335,782</u>	<u>\$ 61,293</u>	<u>\$ 20,582</u>	<u>\$ 109,493</u>	<u>\$ 64,859</u>	<u>\$ 169,875</u>	<u>\$ 886,653</u>	<u>\$ 471,233</u>	<u>\$ 3,634,203</u>
LIABILITIES AND FUND BALANCES													
LIABILITIES													
Accounts payable and Accrued Liabilities	-	12,021	-	10,861	64,435	1,741	15	-	-	29,419	-	-	\$ 118,492
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>12,021</u>	<u>-</u>	<u>10,861</u>	<u>64,435</u>	<u>1,741</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>29,419</u>	<u>-</u>	<u>-</u>	<u>118,492</u>
FUND BALANCES													
Reserved for Perpetual Care	-	-	-	-	-	-	-	-	-	-	-	313,629	313,629
Reserved for Debt Services	-	-	-	-	-	-	-	-	-	-	726,863	-	726,863
Unreserved Fund Balance	665	70,501	1,285,760	134,625	271,347	59,552	20,567	109,493	64,859	140,456	159,790	157,604	2,475,219
Total Fund Balances	<u>665</u>	<u>70,501</u>	<u>1,285,760</u>	<u>134,625</u>	<u>271,347</u>	<u>59,552</u>	<u>20,567</u>	<u>109,493</u>	<u>64,859</u>	<u>140,456</u>	<u>886,653</u>	<u>471,233</u>	<u>3,515,711</u>
Total Liabilities and Fund Balances	<u>\$ 665</u>	<u>\$ 82,522</u>	<u>\$ 1,285,760</u>	<u>\$ 145,486</u>	<u>\$ 335,782</u>	<u>\$ 61,293</u>	<u>\$ 20,582</u>	<u>\$ 109,493</u>	<u>\$ 64,859</u>	<u>\$ 169,875</u>	<u>\$ 886,653</u>	<u>\$ 471,233</u>	<u>\$ 3,634,203</u>

CITY OF SOUTH JORDAN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2007

	Special Revenue						Special Revenue				Debt Service	Permanent	
	Glenmoor	Historical	Parkway Care	Street Lighting	Storm Drain	Recreation	CDBG	Risk Management	Public Arts	Rec Center	MBA	Cemetery	Total
REVENUES													
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,000
Charges for Services	-	702	-	3,804	769,706	105,327	-	67,860	2,779	845,901	-	25,146	1,821,225
Interest	-	2,444	47,273	-	-	-	-	-	-	8,611	41,294	21,832	121,454
Other Revenue	-	3,631	-	-	5,938	-	-	-	-	-	-	-	9,569
Total Revenues	-	6,777	47,273	3,804	775,644	105,327	59,000	67,860	2,779	854,512	41,294	46,978	2,011,248
EXPENDITURES													
Current													
General Government	-	-	-	-	-	-	59,000	-	-	-	-	-	59,000
Municipal Services	-	-	-	520,661	284,876	-	-	-	-	-	-	-	805,537
Community Services	50,435	120,617	-	-	-	73,286	-	91,752	13,059	1,159,333	-	-	1,508,482
Debt Service													
Principal	-	-	-	-	-	-	-	-	-	-	345,000	-	345,000
Interest and Fees	-	-	-	-	-	-	-	-	-	-	383,555	-	383,555
Capital Outlay & Projects	-	-	-	278,361	95,757	-	-	-	-	20,783	-	-	394,901
Total Expenditures	50,435	120,617	-	799,022	380,633	73,286	59,000	91,752	13,059	1,180,116	728,555	-	3,496,475
Excess (Deficiency) of													
Revenues over Expenditures	(50,435)	(113,840)	47,273	(795,218)	395,011	32,041	-	(23,892)	(10,280)	(325,604)	(687,261)	46,978	(1,485,227)
Othr Financing Sources (Uses)													
Operating Transfers In	-	136,899	40,000	554,460	-	-	-	49,999	32,811	337,425	726,795	-	1,878,389
Operating Transfers Out	-	(16)	(40,000)	(40,016)	(227,728)	-	-	-	-	(484)	-	(21,832)	(330,076)
Total Other Financing Sources (Uses)	-	136,883	-	514,444	(227,728)	-	-	49,999	32,811	336,941	726,795	(21,832)	1,548,313
Net Change in Fund Balance	(50,435)	23,043	47,273	(280,774)	167,283	32,041	-	26,107	22,531	11,337	39,534	25,146	63,086
Fund Balances - July 1	51,100	47,458	1,238,487	415,399	104,064	27,511	20,567	83,386	42,328	129,119	847,119	446,087	3,452,625
Fund Balances - June 30	\$ 665	\$ 70,501	\$ 1,285,760	\$ 134,625	\$ 271,347	\$ 59,552	\$ 20,567	\$ 109,493	\$ 64,859	\$ 140,456	\$ 886,653	\$ 471,233	\$ 3,515,711

CITY OF SOUTH JORDAN

Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Special Assessments	\$ 805,244	\$ 805,244	\$ 799,031	\$ (6,213)
Interest	23,000	23,000	84,242	61,242
Miscellaneous	149,601	149,601	151,463	1,862
Total Revenue	<u>977,845</u>	<u>977,845</u>	<u>1,034,736</u>	<u>56,891</u>
EXPENDITURES				
Debt Service				
Principal	2,433,887	2,031,887	2,443,930	(412,043)
Interest and Fees	1,326,124	1,943,340	1,505,979	437,361
Total Expenditures	<u>3,760,011</u>	<u>3,975,227</u>	<u>3,949,909</u>	<u>25,318</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(2,782,166)</u>	<u>(2,997,382)</u>	<u>(2,915,173)</u>	<u>82,209</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Long Term Debt	-	9,915,000	9,915,000	-
Payment to refunded bond escrow agent	-	(9,699,784)	(9,699,784)	
Operating Transfers In	2,765,242	2,765,242	2,722,315	42,927
Total Other Financing Sources (Uses)	<u>2,765,242</u>	<u>2,980,458</u>	<u>2,937,531</u>	<u>42,927</u>
Net Change in Fund Balance	(16,924)	(16,924)	22,358	39,282
Fund Balance - July 1	<u>1,144,054</u>	<u>1,144,054</u>	<u>1,144,054</u>	-
Fund Balance - June 30	<u>\$ 1,127,130</u>	<u>\$ 1,127,130</u>	<u>\$ 1,166,412</u>	<u>\$ 39,282</u>

CITY OF SOUTH JORDAN

Construction

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 97,500	\$ 97,500
Interest	-	-	354,608	\$ 354,608
Impact Fees	1,000,000	1,000,000	4,256,057	3,256,057
Miscellaneous	-	1,262,824	1,315,146	52,322
Total Revenue	<u>1,000,000</u>	<u>2,262,824</u>	<u>6,023,311</u>	<u>3,760,487</u>
EXPENDITURES				
Capital Outlay				
Road and Bridge	-	720,034	576,565	143,469
Parks	252,500	761,356	590,912	170,444
Storm Drain	-	1,118,447	353,236	765,211
Other Projects	508,707	10,421,788	5,347,181	5,074,607
Total Expenditures	<u>761,207</u>	<u>13,021,625</u>	<u>6,867,894</u>	<u>6,153,731</u>
Excess (Deficiency) of revenues Over Expenditures	<u>238,793</u>	<u>(10,758,801)</u>	<u>(844,583)</u>	<u>9,914,218</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Long Term Debt	-	304,500	304,500	-
Sale of Capital Assets	-	141,016	165,659	24,643
Operating Transfers In	493,207	4,686,703	5,692,184	1,005,481
Operating Transfers Out	(3,248,405)	(3,748,915)	(3,112,515)	636,400
Total Other Financing Sources (Uses)	<u>(2,755,198)</u>	<u>1,383,304</u>	<u>3,049,828</u>	<u>1,666,524</u>
Net Change in Fund Balance	(2,516,405)	(9,375,497)	2,205,245	11,580,742
Fund Balance - July 1	12,645,746	12,645,746	12,645,746	-
Fund Balance - June 30	<u>\$ 10,129,341</u>	<u>\$ 3,270,249</u>	<u>\$ 14,850,991</u>	<u>\$ 11,580,742</u>

CITY OF SOUTH JORDAN
Glenmoor Special Improvement District
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ -	\$ -	-	\$ -
Total Revenue	-	-	-	-
EXPENDITURES				
Parks	-	51,100	50,435	665
Capital Outlay & Projects	-	-	-	-
Total Expenditures	-	51,100	50,435	665
Excess (Deficiency) of revenues Over Expenditures	-	(51,100)	(50,435)	665
Net Change in Fund Balance	-	(51,100)	(50,435)	665
Fund Balance - July 1	51,100	51,100	51,100	-
Fund Balance - June 30	\$ 51,100	\$ -	\$ 665	\$ 665

CITY OF SOUTH JORDAN

Historical Preservation

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	702	702
Interest	-	-	2,444	2,444
Other Revenue	-	-	3,631	3,631
Total Revenue	-	-	6,777	6,777
EXPENDITURES				
Community Services	146,899	136,883	120,617	16,266
Capital Outlay & Projects	-	-	-	-
Total Expenditures	146,899	136,883	120,617	16,266
Excess (Deficiency) of revenues Over Expenditures	(146,899)	(136,883)	(113,840)	23,043
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	146,899	136,899	136,899	-
Operating Transfers Out	-	(16)	(16)	-
Total Other Financing Sources (Uses)	146,899	136,883	136,883	-
Net Change in Fund Balance	-	-	23,043	23,043
Fund Balance - July 1	47,458	47,458	47,458	-
Fund Balance - June 30	\$ 47,458	\$ 47,458	\$ 70,501	\$ 23,043

CITY OF SOUTH JORDAN

Parkway Care

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Interest	\$ 40,000	\$ 40,000	\$ 47,273	\$ 7,273
Total Revenue	40,000	40,000	47,273	7,273
EXPENDITURES	-	-	-	-
Excess (Deficiency) of revenues Over Expenditures	40,000	40,000	47,273	7,273
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	40,000	40,000	40,000	-
Operating Transfers Out	(40,000)	(40,000)	(40,000)	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	40,000	40,000	47,273	7,273
Fund Balance - July 1	1,238,487	1,238,487	1,238,487	-
Fund Balance - June 30	\$ 1,278,487	\$ 1,278,487	\$ 1,285,760	\$ 7,273

CITY OF SOUTH JORDAN

Street Lighting

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ -	\$ 3,804	\$ 3,804	\$ -
Total Revenue	-	3,804	3,804	-
EXPENDITURES				
Municipal Services	514,460	526,047	520,661	5,386
Capital Outlay & Projects	-	280,537	278,361	2,176
Total Expenditures	514,460	806,584	799,022	7,562
Excess (Deficiency) of revenues Over Expenditures	(514,460)	(802,780)	(795,218)	7,562
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	554,460	554,460	554,460	-
Operating Transfers Out	(40,000)	(40,016)	(40,016)	-
Total Other Financing Sources (Uses)	514,460	514,444	514,444	-
Net Change in Fund Balance	-	(288,336)	(280,774)	7,562
Fund Balance - July 1	415,399	415,399	415,399	-
Fund Balance - June 30	\$ 415,399	\$ 127,063	\$ 134,625	\$ 7,562

CITY OF SOUTH JORDAN

Storm Drain

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 701,120	\$ 701,120	\$ 769,706	\$ 68,586
Miscellaneous	-	6,021	5,938	(83)
Total Revenue	<u>701,120</u>	<u>707,141</u>	<u>775,644</u>	<u>68,503</u>
EXPENDITURES				
Municipal Services	479,907	480,417	284,876	195,541
Capital Outlay	-	13,985	95,757	(81,772)
Total Expenditures	<u>479,907</u>	<u>494,402</u>	<u>380,633</u>	<u>113,769</u>
Excess (Deficiency) of revenues Over Expenditures	<u>221,213</u>	<u>212,739</u>	<u>395,011</u>	<u>182,272</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers Out	<u>(226,292)</u>	<u>(227,728)</u>	<u>(227,728)</u>	-
Total Other Financing Sources (Uses)	<u>(226,292)</u>	<u>(227,728)</u>	<u>(227,728)</u>	-
Net Change in Fund Balance	(5,079)	(14,989)	167,283	182,272
Fund Balance - July 1	<u>104,064</u>	<u>104,064</u>	<u>104,064</u>	-
Fund Balance - June 30	<u>\$ 98,985</u>	<u>\$ 89,075</u>	<u>\$ 271,347</u>	<u>\$ 182,272</u>

CITY OF SOUTH JORDAN

Recreation Programs

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 142,000	\$ 74,288	\$ 105,327	\$ 31,039
Total Revenue	142,000	74,288	105,327	31,039
EXPENDITURES				
Community Services	142,000	74,288	73,286	1,002
Total Expenditures	142,000	74,288	73,286	1,002
Excess (Deficiency) of revenues Over Expenditures	-	-	32,041	32,041
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	32,041	32,041
Fund Balance - July 1	27,511	27,511	27,511	-
Fund Balance - June 30	\$ 27,511	\$ 27,511	\$ 59,552	\$ 32,041

CITY OF SOUTH JORDAN
Community Development Block Grant
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Grant Revenue	\$ 59,000	\$ 59,000	\$ 59,000	\$ -
Total Revenue	59,000	59,000	59,000	-
EXPENDITURES				
General Government	59,000	59,000	59,000	-
Total Expenditures	59,000	59,000	59,000	-
Excess (Deficiency) of revenues Over Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - July 1	20,567	20,567	20,567	-
Fund Balance - June 30	\$ 20,567	\$ 20,567	\$ 20,567	\$ -

CITY OF SOUTH JORDAN

Risk Management

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ -	\$ 66,883	\$ 67,860	\$ -
Interest	-	-	-	-
Total Revenue	-	66,883	67,860	-
EXPENDITURES	-	116,882	91,752	-
Excess (Deficiency) of revenues Over Expenditures	-	(49,999)	(23,892)	26,107
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	49,999	49,999	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	49,999	49,999	-
Net Change in Fund Balance	-	-	26,107	26,107
Fund Balance - July 1	83,386	83,386	83,386	
Fund Balance - June 30	\$ 83,386	\$ 83,386	\$ 109,493	\$ 26,107

CITY OF SOUTH JORDAN

Public Arts

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ -	\$ 500	\$ 2,779	\$ 2,279
Interest	-	-	-	-
Total Revenue	-	500	2,779	2,279
EXPENDITURES				
Community Services	-	33,311	13,059	20,252
Capital Outlay	-	-	-	-
Total Expenditures	-	33,311	13,059	20,252
Excess (Deficiency) of revenues Over Expenditures	-	(32,811)	(10,280)	22,531
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	32,811	32,811	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	32,811	32,811	-
Net Change in Fund Balance	-	-	22,531	22,531
Fund Balance - July 1	42,328	42,328	42,328	-
Fund Balance - June 30	\$ 42,328	\$ 42,328	\$ 64,859	\$ 22,531

CITY OF SOUTH JORDAN

Recreation Center

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 862,210	\$ 849,300	\$ 845,901	\$ (3,399)
Interest	-	-	8,611	8,611
Total Revenue	<u>862,210</u>	<u>849,300</u>	<u>854,512</u>	<u>(3,399)</u>
EXPENDITURES				
Community Services	1,147,210	1,186,241	1,159,333	26,908
Capital Outlay	15,000	24,000	20,783	3,217
Total Expenditures	<u>1,162,210</u>	<u>1,210,241</u>	<u>1,180,116</u>	<u>30,125</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(300,000)</u>	<u>(360,941)</u>	<u>(325,604)</u>	<u>35,337</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	300,000	337,425	337,425	-
Operating Transfers Out	-	(484)	(484)	-
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>336,941</u>	<u>336,941</u>	<u>-</u>
Net Change in Fund Balance	-	(24,000)	11,337	35,337
Fund Balance - July 1	<u>129,119</u>	<u>129,119</u>	<u>129,119</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 129,119</u>	<u>\$ 105,119</u>	<u>\$ 140,456</u>	<u>\$ 35,337</u>

CITY OF SOUTH JORDAN
Municipal Building Authority
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Interest	\$ 5,000	\$ 5,000	\$ 41,294	\$ 36,294
Total Revenue	<u>5,000</u>	<u>5,000</u>	<u>41,294</u>	<u>36,294</u>
EXPENDITURES				
General Government	3,000	3,000	-	3,000
Capital Outlay	-	-	-	-
Debt Service				
Principal	345,000	345,000	345,000	-
Interest and Fees	<u>383,795</u>	<u>383,795</u>	<u>383,555</u>	<u>240</u>
Total Expenditures	<u>731,795</u>	<u>731,795</u>	<u>728,555</u>	<u>3,240</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(726,795)</u>	<u>(726,795)</u>	<u>(687,261)</u>	<u>39,534</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	726,795	726,795	726,795	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>726,795</u>	<u>726,795</u>	<u>726,795</u>	<u>-</u>
Net Change in Fund Balance	-	-	39,534	39,534
Fund Balance - July 1	<u>847,119</u>	<u>847,119</u>	<u>847,119</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 847,119</u>	<u>\$ 847,119</u>	<u>\$ 886,653</u>	<u>\$ 39,534</u>

CITY OF SOUTH JORDAN

Cemetery Perpetual Care

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 15,000	\$ 15,000	\$ 25,146	\$ 10,146
Interest	8,000	8,000	21,832	13,832
Total Revenue	<u>23,000</u>	<u>23,000</u>	<u>46,978</u>	<u>23,978</u>
EXPENDITURES	-	-	-	-
Excess (Deficiency) of revenues Over Expenditures	<u>23,000</u>	<u>23,000</u>	<u>46,978</u>	<u>23,978</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers Out	<u>(8,000)</u>	<u>(8,000)</u>	<u>(21,832)</u>	<u>(13,832)</u>
Total Other Financing Sources (Uses)	<u>(8,000)</u>	<u>(8,000)</u>	<u>(21,832)</u>	<u>(13,832)</u>
Net Change in Fund Balance	15,000	15,000	25,146	10,146
Fund Balance - July 1	<u>446,087</u>	<u>446,087</u>	<u>446,087</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 461,087</u>	<u>\$ 461,087</u>	<u>\$ 471,233</u>	<u>\$ 10,146</u>

**City of South Jordan
Impact Fee Revenues
as of June 30, 2007**

	Road	Parks	Storm Drain	Police	Fire	Culinary
Allred Subdivision	\$ 1,763.67	\$ 4,625.84	\$ -	\$ 252.11	\$ 535.82	\$ 2,787.21
America First Credit Union	51,009.67	1,539.24	3,582.00	7,869.52	3,232.17	23,188.19
Arcadia Meadows	1,763.67	4,625.84	-	252.11	535.82	2,787.21
Aspen Crest	5,291.01	13,877.51	16,709.00	756.34	1,607.45	10,074.32
Bawden Estates	-	-	6,376.85	-	-	-
Bethany Estates	1,763.67	4,625.84	3,038.00	252.11	535.82	2,787.21
Bison Ridge	8,818.36	23,129.19	-	1,260.57	2,679.08	15,077.84
The District	456,335.53	45,373.21	223,047.57	109,975.12	53,045.16	151,222.43
Carriage Place	17,636.71	49,291.89	10,031.00	2,521.14	5,358.16	30,155.69
Chateau Flats	12,345.70	32,380.86	-	1,764.80	3,750.71	19,510.46
Copper Ridge Office Park	90,443.20	3,486.41	-	5,092.29	2,091.48	17,252.10
Country Crossing	28,837.83	-	3,938.60	1,461.26	600.16	34,504.19
Cove Estates	1,763.67	4,625.84	-	252.11	535.82	2,787.21
Eddie Nelson	1,763.67	4,625.84	-	252.11	535.82	2,787.21
Gables @ Sterling Village	11,584.13	38,684.18	-	3,529.59	2,868.96	38,963.10
Goldenwest Credit Union	13,723.18	529.00	-	7,670.40	3,150.35	11,872.18
Groves	1,763.67	4,625.84	-	252.11	535.82	2,787.21
Harvest Village	-	-	21,377.49	-	-	-
Heatherwood PUD	-	-	19,073.23	-	-	-
High Ridge	10,934.77	24,419.23	-	2,016.91	4,286.53	24,581.27
Homestretch Subdivision	-	-	5,732.00	-	-	-
Hunter Creek	-	-	6,964.38	-	-	-
Ivory Crossing	67,019.52	171,155.99	-	9,580.33	20,361.00	109,339.33
Johanson Subdivision	-	-	2,866.00	-	-	-
Jones Farms	21,164.06	55,510.05	-	3,025.37	6,429.79	37,442.80
Jordan Haven	1,763.67	4,625.84	-	252.11	535.82	2,787.21
Kelsea Cove	1,763.67	4,625.84	-	252.11	535.82	2,787.21
King Benjamin's Court	21,164.06	55,510.05	-	3,025.37	6,429.79	34,017.40
Daybreak	57,675.66	-	-	5,218.77	2,143.46	58,210.71
Lucas Hills	12,345.70	27,755.02	12,897.00	2,016.91	4,286.53	22,297.67
Lucus Meadows	12,345.70	37,006.70	-	1,512.68	3,214.89	16,723.25
Mabey Subdivision	-	-	1,433.00	-	-	-
Market Street	-	-	5,151.63	-	-	-
Mckee Ridge	5,291.01	13,877.51	-	756.34	1,607.45	8,932.53
Meridian Point #2	1,763.67	4,625.84	-	252.11	535.82	2,787.21
Midas Creek	26,455.07	69,387.56	-	3,781.71	8,037.24	42,949.93
Miller Professional Plaza	-	-	4,224.48	-	-	-
Nelson Farms	22,927.73	60,135.89	-	3,277.48	6,965.61	39,088.21
Oquirrh Park	83,943.95	249,776.06	-	19,412.76	24,051.52	225,462.17
Palomino Cove	12,345.70	32,380.86	14,330.00	1,764.80	3,750.71	20,652.26
Palisades Parkway	3,527.34	9,251.67	-	504.23	1,071.63	5,574.42
Parkway Corner	-	-	6,985.88	-	-	-
Parkway Office Building	-	-	3,940.75	-	-	-
Parkway Plaza	63,174.79	1,906.32	9,563.00	9,128.65	3,749.31	51,756.29
Petersen Place	-	-	15,690.00	-	-	-
Quinella Park	3,527.34	9,251.67	-	504.23	1,071.63	6,145.32
Prospector Place Phase 4	1,763.67	4,625.84	-	252.11	535.82	2,787.21
Reeves Subdivision	-	-	3,038.00	-	-	-
Royal Meadows	42,328.11	111,020.10	7,595.00	6,050.73	12,859.58	72,031.11
Salt Lake Credit Union	14,471.16	-	-	4,029.19	1,654.88	22,388.09
Sand Dunes	11,111.14	27,301.59	-	2,269.02	4,822.34	25,084.88
South Jordan High Pointe	188,161.39	50,740.90	-	17,002.52	13,467.29	98,661.51
South Ridge	14,109.37	37,006.70	-	2,016.91	4,286.53	22,297.67
Sunstone Village	31,746.09	83,265.07	-	4,538.05	9,644.68	52,453.36
Temple Vista Village	9,171.10	22,826.90	-	1,764.80	3,750.71	20,081.36
The Groves	1,763.67	4,625.84	-	252.11	535.82	3,358.11
Village At Riverwalk	5,291.01	13,877.51	22,928.00	5,294.39	6,619.67	58,531.38
Villas @Sterling Village	44,091.79	115,645.94	1,433.00	6,302.85	13,395.40	73,105.62
Willard Cove Subdivision	-	-	6,076.00	-	-	-
Winter Creek	24,691.40	69,387.56	2,910.00	3,529.59	7,501.42	38,517.31
Parkview Office	99,682.46	-	-	3,792.58	1,557.70	20,039.31
Western AG Credit	34,515.04	-	2,866.00	2,556.80	1,050.12	14,552.15
Vista Estates	1,763.67	4,625.84	-	252.11	535.82	3,358.11
Wasatch South	1,763.67	4,625.84	-	252.11	535.82	2,787.21
	\$ 1,662,165.51	\$ 1,616,824.24	\$ 443,797.86	\$ 269,852.46	\$ 263,416.68	\$ 1,610,113.32

City of South Jordan
Impact Fee Budgeted Expenditures
as of June 30, 2007

		Completion Date (Est)	Road & Bridge	Parks	Storm Drain	Police	Fire	Culinary Water
Impact Fees Collected FY 05								\$ 1,751,746
Impact Fees Collected FY 06			756,412	649,542	504,382	-	-	1,750,048
Impact Fees Collected FY 07			1,662,166	1,616,824	443,798	269,852	263,417	1,610,113
Interest Earned			119,492	69,545	79,319	28,762	38,251	221,891
Total Funds Collected			\$ 2,538,069	\$ 2,335,911	\$ 1,027,499	\$ 298,614	\$ 301,668	\$ 5,333,799
Budgeted Capital Projects								
Riverpark Reimbursement		Jul-07	77,972	56,261	50,311			32,802
Oquirrh Shadows Road Reimbursement		Oct-08	43,476					
River Heights Drive		Oct-07	99,122					
Riverfront Parkway Traffic Signal		Oct-07	100,000					
1300 West EIS		Apr-08	40,000					
1300 W Prelim Engineering		Apr-08	25,000					
3200 W Connection		Oct-07	50,000					
40000 W Connection		Sep-07	255,459					
Infrastructure Prelim Design		Dec-07	20,000					
104th So Road (Costco)		Dec-07	700,000					
114th So 40th West Traffic Signal		Nov-07	125,000					
98th So 40th West Traffic Signal		Dec-07	125,000					
Oquirrh Shadows		Nov-07		610				
Jordan Ridge Park		Oct-07		19,045				
Skate Park		Jul-07		8,832				
Entry Feature		Oct-07		15,464				
River Front parkway Phase II		Jun-07		23,156				
Bingham Trail		Nov-07		29,742				
Computerize Irrigation		Dec-07		9,113				
Museum		Jun-09		97,187				
Beckstead Lane Landscaping		Jun-09		1,873				
Splash Park		Jun-09		18,028				
Leisure Services Master Plan		Jun-09		10,064				
Oquirrh Shadows Splash Pad		Jun-09		38,127				
Retainage		Jun-09		30,409				
Sun Deck Restrooms		Nov-07		37,793				
10600 So Median Landscaping		Aug-07		15,000				
Jordan River Trail Grant Match		Oct-07		187,336				
Oquirrh park (From Perry)		Nov-07		130,000				
Midas Creek Park		Dec-07		6,272				
Peterson Park		Jun-09		1,600				
Ivory Crossing (FY 07-08)		Nov-07		250,000				
Midas Creek 2700 W		Nov-07			80,000			
Midas Creek 2700 W		Nov-07			66,420			
Midas Creek Widening		Nov-07			3,732			
Storm Drain Master Plan		Nov-07			36,445			
Redwood Road (11300 S - 11400 S)		Dec-07			158,652			
Redwood Road (11200 S - 11400 S)		Dec-07			89,986			
Redwood Road (11400 S - 11700 S)		Dec-07			334,178			
10400 S Betterments		Nov-09			170,000			1,005,487
Water Master Plan Update		Nov-07						43,965
300 West Waterline		Jun-08						300,000
Redwood Road Widening		May-07						236,046
Redwood Rd SJC Supplies Materials		May-07						54,000
4000 West		Sep-07						350,383
Tank 3B		Sep-07						1,161,700
PRV 9000 So 1300 W		Jun-08						48,264
Reserved for Public Services Building		Aug-07	500,000	350,000		175,000	175,000	1,797,437
Reserved for Fire Station		Jun-08					48,097	
Transfer to Debt Service		Jun-08	377,040		37,775	111,877	78,571	303,715
Transfer to Rec Center		Jun-08		1,000,000				
			\$ 2,538,069	\$ 2,335,911	\$ 1,027,499	\$ 298,614	\$ 301,668	\$ 5,333,799

**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**



CITY OF SOUTH JORDAN
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule by Source
June 30, 2007

	<u>2006</u>	<u>2007</u>
General Fixed Assets		
Land	\$ 20,736,195	\$ 33,803,343
Buildings and Structures	19,261,969	19,261,969
Improvements Other than Buildings and Structures	9,562,084	9,549,334
Machinery and Equipment	9,202,101	10,270,235
Infrastructure	116,549,053	134,410,952
Construction in Progress	4,418,488	3,926,566
	<u>179,729,890</u>	<u>211,222,399</u>
Investment in Fixed Assets		
General Fund	172,368,075	206,438,490
Glenmoor Special Service Fund	437,093	437,093
Capital Projects Fund	6,585,920	3,926,566
Street Lighting Fund	19,250	19,250
Parkway Care Fund	17,650	-
Redevelopment Agency Fund	301,902	401,000
	<u>\$ 179,729,890</u>	<u>\$ 211,222,399</u>

CITY OF SOUTH JORDAN

Capital Assets Used in the Operation of Governmental Funds Schedule by Function and Activity June 30, 2007

	Land	Building and Structure	Improvements other Than Building and Structure	Machinery and Equipment	Infrastructure	Construction in Progress	Total
<u>Function and Activity</u>							
General Government							
Administration	\$ 4,138,557	\$ 5,846,075	\$ 794,027	\$ 2,088,135	\$ 133,543	\$ 182,398	\$ 13,182,735
Parkway							-
Building and Planning				269,850			269,850
Engineering				128,357			128,357
Fleet Management				470,720			470,720
Total General Government	<u>4,138,557</u>	<u>5,846,075</u>	<u>794,027</u>	<u>2,957,063</u>	<u>133,543</u>	<u>182,398</u>	<u>14,051,662</u>
Public Safety							
Police Protection	703,249	52,443	3,365	1,382,389		281,383	2,422,830
Fire Protection	113,731	2,687,832		2,511,806			5,313,368
Total Public Safety	<u>816,980</u>	<u>2,740,275</u>	<u>3,365</u>	<u>3,894,195</u>	<u>-</u>	<u>281,383</u>	<u>7,736,198</u>
Public Works							
Streets and Roads	24,570,039	72,749	2,269,451	1,717,936	114,228,711	971,781	143,830,667
Storm Drain			426,419	581,784	17,150,714	168,915	18,327,832
Total Public Works	<u>24,570,039</u>	<u>72,749</u>	<u>2,695,870</u>	<u>2,299,720</u>	<u>131,379,425</u>	<u>1,140,696</u>	<u>162,158,499</u>
Parks and Public Property							
Parks	3,879,990	315,256	5,519,858	689,933	2,801,054	1,080,607	14,286,698
Cemetery	17,995	2,362	100,134				120,491
Recreation		10,285,251		413,826	70,949		10,770,027
Total Parks & Public Property	<u>3,897,985</u>	<u>10,602,870</u>	<u>5,619,991</u>	<u>1,103,758</u>	<u>2,872,004</u>	<u>1,080,607</u>	<u>25,177,216</u>
Museum	-	-	-	-	-	1,241,481	1,241,481
Street Lighting Fund					19,250	-	19,250
Glenmoor Speical Service District	93,379		336,982		6,732	-	437,093
Redevelopment Agency	286,402		99,098	15,500	-	-	401,000
Total General Fixed Assets	<u>\$ 33,803,342</u>	<u>\$ 19,261,969</u>	<u>\$ 9,549,334</u>	<u>\$ 10,270,236</u>	<u>\$ 134,410,953</u>	<u>\$ 3,926,565</u>	<u>\$ 211,222,399</u>

CITY OF SOUTH JORDAN

Capital Assets Used in the Operation of Governmental Funds Schedule of Changes by Function and Activity June 30, 2007

	General Fixed Assets			
	July 1, 2006	Additions	Deletions	June 30, 2007
<u>Function and Activity</u>				
General Government				
Administration	\$ 11,768,950	\$ 1,413,785	\$ -	\$ 13,182,735
Parkway	17,650	-	17,650	-
Building and Planning	10,000	297,467	37,617	269,850
Engineering	66,923	61,434	-	128,357
Economic Development	-	-	-	-
Fleet Management	1,358,545	20,500	908,325	470,720
Total General Government	<u>13,222,068</u>	<u>1,793,186</u>	<u>963,592</u>	<u>14,051,662</u>
Public Safety				
Police Protection	2,705,617	426,632	709,418	2,422,830
Fire Protection	5,089,781	518,172	294,585	5,313,368
Total Public Safety	<u>7,795,398</u>	<u>944,804</u>	<u>1,004,003</u>	<u>7,736,198</u>
Public Works				
Streets and Roads	116,646,653	27,546,201	362,188	143,830,666
Storm Drain	15,901,055	2,426,777	-	18,327,832
Total Public Works	<u>132,547,708</u>	<u>29,972,978</u>	<u>362,188</u>	<u>162,158,498</u>
Parks and Public Property				
Parks	13,549,997	3,065,228	2,328,526	14,286,699
Cemetery	129,136	-	8,645	120,491
Recreation	10,492,588	277,439	-	10,770,027
Total Parks & Public Property	<u>24,171,721</u>	<u>3,342,667</u>	<u>2,337,171</u>	<u>25,177,217</u>
Museum	<u>1,241,481</u>		-	<u>1,241,481</u>
Street Lighting	<u>19,250</u>	-	-	<u>19,250</u>
Glenmoor Special Service District	<u>430,361</u>	<u>6,732</u>	-	<u>437,093</u>
Redevelopment Agency	<u>301,902</u>	<u>99,098</u>	-	<u>401,000</u>
Total General Fixed Assets	<u>\$ 179,729,889</u>	<u>\$ 36,159,465</u>	<u>\$ 4,666,955</u>	<u>\$ 211,222,399</u>

Statistical Section

This part of South Jordan City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These Schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	106
Revenue Capacity These schedules contain information to help the reader assess the city's most significant local revenue sources, property tax, sales tax, and water revenue.	112
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the government's ability to issue additional debt in the future.	120
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	125
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	128

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF SOUTH JORDAN

Net Assets by Component
Last Two Fiscal Years
(accrual basis of accounting)

	Fiscal Year	
	<u>2006</u>	<u>2007</u>
Governmental activities		
Invested in capital assets, net of related debt	\$ 106,761,733	\$ 128,667,115
Restricted	5,171,176	5,546,107
Unrestricted	23,783,914	32,840,701
Total government activities net assets	<u>135,716,823</u>	<u>167,053,923</u>
Business-type activities		
Invested in capital assets, net of related debt	50,171,439	61,890,171
Restricted	5,019,969	4,508,398
Unrestricted	7,059,861	8,844,455
Total business-type activities net assets	<u>62,251,269</u>	<u>75,243,024</u>
Primary government		
Invested in capital assets, net of related debt	156,933,172	190,557,286
110 Restricted	10,191,145	10,054,505
Unrestricted	30,843,775	41,685,156
Total primary government net assets	<u>\$ 197,968,092</u>	<u>\$ 242,296,947</u>

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004

CITY OF SOUTH JORDAN

Changes in Net Assets
Last Two Fiscal Years
(accrual basis of accounting)

	Fiscal Year	
	<u>2006</u>	<u>2007</u>
Expenses		
Governmental activities:		
General government	\$ 4,122,258	\$ 7,719,415
Community Service	8,829,267	3,071,596
Municipal Services	7,736,325	14,432,464
Redevelopment		
Finance & Administrative Services	5,761,808	5,794,895
Interest on long-term debt	1,761,293	1,615,736
Total governmental activities expense	<u>28,210,951</u>	<u>32,634,106</u>
Business-type activities		
Water	8,304,493	9,635,759
Sanitation	1,462,979	1,676,313
Mulligans	1,548,939	1,285,024
Total business-type activities expense	<u>11,316,411</u>	<u>12,597,096</u>
Total primary government expenses	<u>39,527,362</u>	<u>45,231,202</u>
Program Revenues		
Governmental activities:		
Charges for services:		
General government	1,929,805	5,413,975
Municipal Services	11,066,549	9,302,633
Finance & Administrative Services	2,528,736	1,089,849
Public Safety	2,356,987	328,651
Operating grants and contributions	1,841,950	1,950,195
Capital grants and contributions	23,874,290	27,178,129
Total governmental activities programs revenues	<u>43,598,317</u>	<u>45,263,432</u>
Business-type activities:		
Charges for services:		
Water	12,318,095	12,549,690
Sanitation	2,041,235	2,409,651
Mulligans	1,196,809	1,312,393
Operating grants and contributions	-	-
Capital grants and contributions	5,767,243	8,541,823
Total business-type activities program revenues	<u>21,323,382</u>	<u>24,813,557</u>
Total primary governmental program revenues	<u>\$ 64,921,699</u>	<u>\$ 70,076,989</u>

CITY OF SOUTH JORDAN

Changes in Net Assets Last Two Fiscal Years

	Fiscal Year	
	<u>2006</u>	<u>2007</u>
Net (Expense)/Revenue		
Governmental activities	\$ 15,387,366	\$ 12,629,326
Business-type activities	<u>10,006,971</u>	<u>12,216,461</u>
Total primary government net expense	<u>25,394,337</u>	<u>24,845,787</u>
 General Revenues and Other Changes in Net Assets		
Governmental activities:		
Taxes		
Property taxes	7,428,694	8,900,328
Energy sales and use tax	1,853,968	1,824,497
Sales taxes	4,926,279	6,481,322
Other taxes	753,042	877,001
Unrestricted grants and contributions	-	
Payments in lieu of taxes	-	
Gain (loss) on disposition of capital assets	3,784,498	11,125
Investment earnings	419,040	1,174,925
Miscellaneous	203,310	450,196
Transfers	<u>(3,569,554)</u>	<u>(1,011,620)</u>
Total governmental activities	<u>15,799,277</u>	<u>18,707,774</u>
Business-type activities:		
Investment earnings	-	-
Gain (loss) on disposal of capital assets	-	(236,326)
Transfers	<u>3,569,554</u>	<u>1,011,620</u>
Total business-type activities	<u>3,569,554</u>	<u>775,294</u>
Total primary government	<u>19,368,831</u>	<u>19,483,068</u>
 Change in Net Assets		
Governmental activities	31,186,643	31,337,100
Business-type activities	<u>13,576,525</u>	<u>12,991,755</u>
Total primary government	<u>\$ 44,763,168</u>	<u>\$ 44,328,855</u>

Notes: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

CITY OF SOUTH JORDAN
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,357	\$ 272,704	\$ 204,162	\$ 23,728	\$ 19,159
Unreserved	<u>2,804,733</u>	<u>739,742</u>	<u>957,394</u>	<u>2,366,351</u>	<u>2,862,986</u>	<u>3,396,598</u>	<u>3,157,492</u>	<u>3,192,878</u>	<u>3,866,240</u>	<u>4,566,731</u>
Total general fund	<u>\$2,804,733</u>	<u>\$ 739,742</u>	<u>\$ 957,394</u>	<u>\$2,366,351</u>	<u>\$ 2,862,986</u>	<u>\$ 3,796,955</u>	<u>\$ 3,430,196</u>	<u>\$ 3,397,040</u>	<u>\$ 3,889,968</u>	<u>\$ 4,585,890</u>
All Other Governmental Funds										
Reserved	\$1,593,105	\$1,715,625	\$1,914,169	\$2,338,933	\$ 4,825,295	\$ 6,374,703	\$ 7,351,152	\$ 5,483,012	\$ 5,174,345	\$ 5,639,414
Unreserved reported in:										
Special Revenue Funds	(899,141)	(870,642)	(296,616)	361,465	383,760	1,910,802	3,014,715	2,588,944	2,593,201	2,930,233
Capital Projects Funds	4,450,095	7,534,293	6,842,618	5,896,582	10,263,841	6,856,230	5,781,184	6,742,713	9,642,011	11,445,359
Debt Service Funds	275,970	178,417	192,727	-	-	43,447	160,103	203,930	110,553	132,912
Permanent Funds	<u>51,500</u>	<u>6,660</u>	<u>11,978</u>	<u>19,033</u>	<u>17,533</u>	<u>130,302</u>	<u>140,010</u>	<u>157,895</u>	<u>156,096</u>	<u>157,603</u>
Total all other governmental funds	<u>\$5,471,529</u>	<u>\$8,564,353</u>	<u>\$8,664,876</u>	<u>\$8,616,013</u>	<u>\$15,490,429</u>	<u>\$15,315,484</u>	<u>\$16,447,164</u>	<u>\$15,176,494</u>	<u>\$17,676,206</u>	<u>\$ 20,305,521</u>

CITY OF SOUTH JORDAN
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues										
Taxes	\$ 4,136,611	\$ 4,727,817	\$ 5,497,526	\$ 7,077,602	\$ 8,624,901	\$ 9,159,474	\$10,240,605	\$11,623,773	\$ 14,960,684	\$ 18,187,553
Licenses, fees, and permits	768,086	726,177	828,377	876,840	965,870	1,348,514	1,790,661	2,948,658	3,763,459	3,716,134
Intergovernmental	998,364	1,333,472	1,505,370	3,087,477	1,636,144	1,283,684	1,717,710	2,230,984	2,182,529	2,273,037
Charges for services	927,092	898,797	920,862	1,379,403	2,104,863	3,859,494	3,216,295	4,767,544	5,950,844	7,073,069
Fines and penalties	336,574	436,660	547,130	774,254	889,392	1,006,452	987,405	1,189,595	1,260,350	1,089,849
Special assessments	32,748	374,404	215,198	86,000	-	-	794,799	926,733	710,771	799,031
Investment earnings	423,086	429,144	305,218	290,935	114,682	348,757	285,586	469,847	756,130	1,174,925
Impact fees	2,264,664	2,345,258	2,381,458	2,406,246	2,297,648	4,199,003	5,094,036	5,333,222	5,831,054	4,256,057
Miscellaneous	124,701	36,030	539,110	536,303	418,424	1,319,829	707,696	377,533	942,584	1,598,226
Total Revenues	10,011,926	11,307,759	12,740,249	16,515,060	17,051,924	22,525,207	24,834,793	29,867,889	36,358,405	40,167,881
Expenditures										
General government	2,446,839	2,488,489	2,718,650	3,030,336	4,121,990	6,429,812	5,266,202	3,946,900	2,477,432	5,683,085
Public Safety	2,172,571	2,396,438	3,109,709	3,747,944	4,498,128	5,233,088	5,780,900	6,619,809	8,377,726	2,832,767
Municipal Services	641,358	529,684	636,860	1,015,457	1,167,092	1,489,770	2,093,356	2,767,976	3,992,094	8,966,517
Finance & Admin. Services	273,156	312,196	334,481	428,268	865,194	1,052,678	1,151,439	3,233,684	4,817,357	5,233,222
Tax Increment Distributions	-	-	-	-	-	481,681	487,608	581,406	799,491	1,453,327
Capital outlay	3,975,509	5,312,745	5,572,876	13,119,118	16,663,151	21,173,181	9,374,068	10,886,020	10,333,125	7,761,741
Debt service										
Principal	282,225	599,699	278,292	262,689	434,280	1,376,320	1,743,380	6,041,894	2,471,530	2,901,694
Other	-	-	-	26,108	466	-	-	-	-	-
Interest	74,727	66,253	54,918	187,176	476,568	1,943,735	2,053,404	2,006,799	1,742,568	1,919,083
Total expenditures	9,866,385	11,705,504	12,705,786	21,817,096	28,226,869	39,180,265	27,950,357	36,084,488	35,011,323	36,751,436
Excess of revenues over (under) expenditures	145,541	(397,745)	34,463	(5,302,036)	(11,174,945)	(16,655,058)	(3,115,564)	(6,216,599)	1,347,082	3,416,445

CITY OF SOUTH JORDAN
Changes in Fund Balances, Governmental Funds (continued)
Last Ten Fiscal Years

	Fiscal Year									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Other Financing Sources (Uses)										
Issuance of long term debt	324,302	-	-	2,865,000	16,428,000	21,965,493	1,880,652	1,246,924	1,333,934	10,219,500
Interim warrants	-	-	-	3,383,858	2,040,120	(5,840,576)	-	-	-	
Sale of capital assets	-	-	-	-	-	902,819	1,742,087	3,309,139	3,881,177	236,300
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	(9,699,784)
Transfers in	1,216,482	4,903,695	1,072,167	1,278,824	3,477,459	4,964,126	3,428,827	7,792,483	11,268,143	10,512,044
Transfers out	<u>(1,207,331)</u>	<u>(3,631,550)</u>	<u>(1,056,519)</u>	<u>(1,021,676)</u>	<u>(3,470,200)</u>	<u>(4,577,780)</u>	<u>(3,171,081)</u>	<u>(7,435,771)</u>	<u>(14,837,697)</u>	<u>(11,359,269)</u>
Total other financing sources (uses)	<u>333,453</u>	<u>1,272,145</u>	<u>15,648</u>	<u>6,506,006</u>	<u>18,475,379</u>	<u>17,414,082</u>	<u>3,880,485</u>	<u>4,912,775</u>	<u>1,645,557</u>	<u>(91,209)</u>
Net change in fund balances	<u>\$ 478,994</u>	<u>\$ 874,400</u>	<u>\$ 50,111</u>	<u>\$ 1,203,970</u>	<u>\$ 7,300,434</u>	<u>\$ 759,024</u>	<u>\$ 764,921</u>	<u>\$(1,303,824)</u>	<u>\$ 2,992,639</u>	<u>\$ 3,325,236</u>
Debt service as a percentage of noncapital expenditures	6%	10%	5%	5%	8%	18%	20%	32%	17%	17%

CITY OF SOUTH JORDAN

Assessed Value and Estimate Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Residential Property	Commerical Property	Industrial Property	Less: Tax- Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
1998	\$ 865,770,713	\$ 91,133,759	\$ 1,275,873	\$ 46,842,752	\$ 911,337,593	1.65	\$ 1,463,996,133	62.250%
1999	854,454,864	89,942,617	1,259,197	46,230,505	899,426,173	1.67	1,444,861,322	62.250
2000	1,663,594,212	175,115,180	2,451,613	90,009,203	1,751,151,802	1.71	2,813,095,264	62.250
2001	1,730,761,674	182,185,439	2,550,596	93,643,316	1,821,854,394	1.86	2,926,673,725	62.250
2002	1,911,698,928	201,231,466	2,817,241	103,432,974	2,012,314,661	1.95	3,232,633,994	62.250
2003	2,109,949,628	222,099,961	3,109,399	114,159,380	2,220,999,608	1.93	3,567,870,856	62.250
2004	2,168,525,501	361,420,917	3,373,262	123,846,901	2,409,472,779	1.87	3,735,616,712	64.500
2005	2,425,229,317	404,204,886	3,772,579	138,507,541	2,694,699,241	2.21	4,177,828,281	64.500
2006	2,755,356,198	459,226,033	4,286,110	157,361,454	3,061,506,887	1.87	4,746,522,305	64.500
2007	3,457,047,603	648,558,519	7,106,400	139,094,588	3,973,617,934	1.71	6,160,647,960	64.500

Source: Salt Lake County

CITY OF SOUTH JORDAN
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

City Direct Rates			Overlapping Rates								
Fiscal Year	Basic Rates	Total Direct Rate	Jordan School District	Salt Lake Library	Salt Lake County	Mosquito Abatement	Central Utah Water Conservancy District	Hansen Planetarium	South Valley Sewer	Jordan Valley Water Conservancy District	Crescent Cemetary
1998	1.65	1.65	6.50	0.65	3.55	0.01	0.40	(a)	0.76	0.40	-
1999	1.67	1.67	6.56	0.61	2.81	0.01	0.40	(a)	0.63	0.40	-
2000	1.71	1.71	7.58	0.61	3.02	0.01	0.40	(a)	0.63	0.40	-
2001	1.86	1.86	8.85	0.58	2.90	0.01	0.38	(a)	0.59	0.40	-
2002	1.95	1.95	8.34	0.74	2.94	0.02	0.36	(a)	0.56	0.92	-
2003	1.93	1.93	8.37	0.75	2.87	0.03	0.36	(a)	0.52	0.97	-
2004	1.87	1.87	8.86	0.73	2.82	0.03	0.35	(a)	0.52	0.39	0.07
2005	2.21	2.21	8.66	0.70	2.68	0.03	0.40	(a)	0.47	0.40	0.06
2006	1.87	1.87	7.35	0.62	2.37	0.03	0.36	(a)	0.41	0.35	-
2007	1.71	1.71	5.31	0.52	1.28	0.02	0.30	(a)	0.33	0.40	0.04

Source: Salt Lake County Auditor's Office

(a) 1997 Forward - Hansen Planetarium included with the General Fund

CITY OF SOUTH JORDAN

Principal Property Tax Payers
Current Year and Nine Years ago

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Riverpark L.L.C.	\$ 90,335,745	1	2.27%			
Kennecott Land Residential				\$ 14,854,803	1	1.63%
The District	41,461,087	2	1.04			
Sterling Village, LC	36,874,500	3	0.93	11,027,185	2	1.21
Merit Medical Systems INC.	36,350,660	4	0.91			
JG Parkway Tower LLC	36,024,700	5	0.91			
Legacy Retirement Center L.L.C.	30,550,400	6	0.77	5,741,427	7	0.63
Walmart Stores INC.	26,282,300	7	0.66			
DEF Properties LLC	16,298,440	8	0.41			
Parkway Tower L.L.C.	14,434,800	9	0.36			
MM (UT) PRS 11-59 INC	14,204,900	10	0.36			
E&H Investments				8,475,440	3	0.93
QRS 11-20 (UT), Inc.				7,381,835	4	0.81
Towers at South Jordan #2				6,835,032	5	0.75
Ron Thorne Construction, Inc.				5,923,694	6	0.65
Uttrudent Products, Inc.				4,556,688	8	0.50
Smiths Food King				4,283,287	9	0.47
Miller Family Partnership				3,918,752	10	0.43
Total	\$ 342,817,532		8.62%	\$ 72,998,143		8.01%

Source: The City of South Jordan

CITY OF SOUTH JORDAN
Property Tax Levied and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 1,272,106	\$ 1,198,043	94.18%	\$ 73,528	\$ 1,271,571	99.96%
1999	1,502,042	1,394,673	92.85%	104,985	1,499,658	99.84%
2000	1,712,895	1,575,618	91.99%	136,614	1,712,232	99.96%
2001	2,106,604	1,981,143	94.04%	125,292	2,106,435	99.99%
2002	2,535,599	2,349,620	92.67%	181,248	2,530,868	99.81%
2003	2,755,848	2,614,582	94.87%	128,694	2,743,276	99.54%
2004	2,973,839	2,851,618	95.89%	98,635	2,950,253	99.21%
2005	3,226,756	3,074,510	95.28%	124,398	3,198,908	99.14%
2006	3,904,953	3,752,707	96.10%	-	3,752,707	96.10%
2007	4,321,487	4,132,213	95.62%	-	4,132,213	95.62%

Source: The City of South Jordan

CITY OF SOUTH JORDAN

Taxable Sales by Category

Last Ten Fiscal Years

	Fiscal Year									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Retail/Grocery	\$11,011,656	\$13,874,687	\$17,482,106	\$22,027,453	\$27,754,591	\$ 43,919,840	\$ 58,724,279	\$ 63,010,189	\$ 96,451,730	\$ 199,483,049
Utility/Communication	4,104,226	5,171,325	6,515,869	8,209,995	10,344,594	16,369,649	21,887,507	23,484,936	35,949,150	44,569,463
Auto dealers & supplies	10,569,705	13,317,828	16,780,464	21,143,384	26,640,664	42,157,122	56,367,387	60,481,282	92,580,651	137,957,856
Eating & drinking establishments	2,102,535	2,649,194	3,337,985	4,205,861	5,299,385	8,385,933	11,212,652	12,030,991	18,416,227	24,945,293
Home furnishings and appliances	415,299	523,276	659,328	830,753	1,046,749	1,656,413	2,214,754	2,376,395	3,637,624	3,742,167
Medical	1,167,746	1,471,360	1,853,914	2,335,932	2,943,274	4,657,540	6,227,497	6,682,002	10,228,356	10,448,332
Service stations	542,185	683,153	860,773	1,084,574	1,366,564	2,162,499	2,891,431	3,102,458	4,749,032	5,697,382
All other outlets	7,541,188	9,501,897	11,972,390	15,085,211	19,007,366	30,077,924	40,216,548	43,151,697	66,053,696	70,406,043
Utah State Tax- Motor Vehicle	<u>1,532,306</u>	<u>1,930,705</u>	<u>2,432,689</u>	<u>3,065,188</u>	<u>3,862,136</u>	<u>6,111,580</u>	<u>8,171,663</u>	<u>8,768,061</u>	<u>13,421,554</u>	<u>18,105,020</u>
Totals	<u>\$38,986,846</u>	<u>\$49,123,425</u>	<u>\$61,895,518</u>	<u>\$77,988,351</u>	<u>\$98,265,323</u>	<u>\$155,498,500</u>	<u>\$207,913,718</u>	<u>\$223,088,011</u>	<u>\$341,488,020</u>	<u>\$ 515,354,605</u>
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Source: Utah State Tax Commission

Notes: Sales tax generated in South Jordan City

CITY OF SOUTH JORDAN
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>South Jordan City Direct Rate</u>	<u>Salt Lake County</u>	<u>State of Utah</u>
1998	1.000%	0.350%	5.000%
1999	1.000%	0.350%	5.000%
2000	1.000%	0.350%	5.000%
2001	1.000%	0.350%	5.250%
2002	1.000%	0.350%	5.250%
2003	1.000%	0.350%	5.250%
2004	1.000%	0.350%	5.250%
2005	1.000%	0.350%	5.250%
2006	1.000%	0.350%	5.250%
2007	1.000%	0.600%	5.250%

Sources: Utah State Tax Commission
<http://www.tax.utah.gov/sales/rates.html>

CITY OF SOUTH JORDAN
Sales Tax Revenue Payers by Industry
Fiscal Years 1998 and 2007

	Fiscal Year 1998				Fiscal Year 2007			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail/Grocery	5	1.57%	\$110,117	28.24%	26	2.47%	\$1,994,830	38.71%
Utility/Communication	26	8.00%	41,042	10.53%	61	5.79%	445,695	8.65%
Auto Dealers & Supplies	12	3.71%	105,697	27.11%	31	2.94%	1,379,579	26.77%
Eating/Drinking Establishments	16	5.00%	21,025	5.39%	50	4.74%	249,453	4.84%
Home Furnishings & Appliances	9	2.71%	4,153	1.07%	9	0.85%	37,422	0.73%
Medical	15	4.57%	11,677	3.00%	39	3.70%	104,483	2.03%
Service Stations	3	1.00%	5,422	1.39%	8	0.76%	56,974	1.11%
All Other Outlets	237	73.29%	75,412	19.34%	829	78.65%	704,060	13.66%
Utah State Tax - Motor Vehicle	1	0.14%	15,323	3.93%	1	0.09%	181,050	3.51%
Total	<u>324</u>	<u>100.00%</u>	<u>\$389,868</u>	<u>100.00%</u>	<u>1054</u>	<u>100.00%</u>	<u>\$5,153,546</u>	<u>100.00%</u>

Source: Utah State Tax Commission

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of South Jordan City's revenue. Fiscal year 2007 is the most recent year for which data is available.

CITY OF SOUTH JORDAN

Charges for Water Fees
Last Six Fiscal Years

	Fiscal Year					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Water Sales	\$ 3,922,862	\$ 4,586,146	\$ 6,230,780	\$ 6,606,578	\$ 8,383,108	\$ 9,199,044
Secondary Water	323,236	365,979	632,498	616,258	647,932	647,248
Other	<u>45,555</u>	<u>107,361</u>	<u>209,733</u>	<u>241,461</u>	<u>335,387</u>	<u>318,626</u>
Totals	<u>\$ 4,291,654</u>	<u>\$ 5,059,486</u>	<u>\$ 7,073,011</u>	<u>\$ 7,464,297</u>	<u>\$ 9,366,427</u>	<u>\$ 10,164,920</u>

Source: City of South Jordan

Note: Other includes: Finance charges, and Water Meter Sets
Information before fiscal year 2002 is not available.

CITY OF SOUTH JORDAN
Ratios of Outstanding Debt by Type
Last Ten Years
(dollars in thousands except per capita)

Fiscal Year	Governmental Activities						Business-type Activities					
	Municipal Bldg Authority	Excise Tax Road Bond	Term Loan	Sales Tax Increment Bonds	Leases	Special Assessment Bond	RDA Tax Increment Bond	Water Revenue Bonds	Other	Total Primary Government	Percentage of Personal Income	Per Capita
1998	\$ 1,181	-	\$ 1,689	-	-	-	-	\$ 305	\$ 328	\$ 3,503	0.72%	135
1999	1,010	-	1,777	-	-	-	-	250	14	3,051	0.55%	110
2000	830	-	1,395	-	-	-	-	195	175	2,595	0.44%	88
2001	637	2,865	1,211	-	-	3,800	-	3,535	220	12,269	1.93%	387
2002	435	2,640	1,203	15,000	1,454	5,841	-	3,375	275	30,222	4.61%	891
2003	9,616	2,400	709	14,430	1,950	7,470	4,100	3,200	868	44,743	6.50%	1,237
2004	21,890	2,145	2,472	14,085	1,590	7,170	4,100	25,570	667	79,688	10.20%	2,017
2005	21,565	1,880	2,681	13,725	2,041	6,740	-	24,720	1,012	74,363	8.24%	1,692
2006	17,135	1,600	3,496	13,355	1,495	6,475	-	23,845	489	67,889	6.90%	1,473
2007	15,670	1,310	2,659	13,645	1,231	6,100	-	28,890	383	69,887	6.52%	1,446

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
See Demographic and Economic Statistics for personal income and population data.

CITY OF SOUTH JORDAN
Direct and Overlapping Governmental Activities Debt
As of June 30, 2007

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Salt Lake County	\$ 177,885,000	3.10%	\$ 5,514,435
Jordan School District	159,285,000	9.20%	14,654,220
Salt Lake County Sewer	430,000	24.61%	105,823
Central Utah Water Cons. District	310,254,390	2.21%	<u>6,856,622</u>
Subtotal, overlapping debt			27,131,100
City direct debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ 27,131,100</u></u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of South Jordan. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident-and therefore responsible for repaying the debt-of each overlapping government.

CITY OF SOUTH JORDAN

Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value	\$ 3,973,617
Debt limit (12% of assessed value)	476,834
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	\$ 476,834

	Fiscal Year									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt limit	\$109,361	\$107,931	\$210,138	\$218,623	\$241,478	\$177,680	\$289,137	\$323,364	\$ 367,381	\$ 476,834
Total net debt applicable to limit	305	250	195	135	70	-	-	-	-	-
Legal debt margin	<u>\$109,056</u>	<u>\$107,681</u>	<u>\$209,943</u>	<u>\$218,488</u>	<u>\$241,408</u>	<u>\$177,680</u>	<u>\$289,137</u>	<u>\$323,364</u>	<u>\$ 367,381</u>	<u>\$ 476,834</u>
Total net debt applicable to the limit as a percentage of debt limit	0.28%	0.23%	0.09%	0.06%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Salt Lake County Auditor's Office

Notes: Under state finance law, the city's outstanding general obligation debt should not exceed 12% of total assessed property value.
Of this percent, a maximum of 4% may be used for general purpose. The remaining 8% and any unused portion of the 4% available for general purpose up to a maximum of 12% may be used for water, sewer, and electrical projects.

CITY OF SOUTH JORDAN

Pledged-Revenue Coverage

Last Ten Fiscal Years

(dollars in thousands)

Fiscal Year	Water Revenue Bonds						Special Assessment Bonds				Sales Tax Increment Bonds			
	Utility Service Charge	Less: Operating Expenses	Net Available Revenue	Debt Service			Riverpark L.L.C.	Debt Service			Sales & Use Tax	Debt Service		
				Principal	Interest	Coverage		Principal	Interest	Coverage		Principal	Interest	Coverage
1998	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-
1999	3,002	2,612	390	55	17	5.42	-	-	-	-	-	-	-	-
2000	3,361	3,115	246	55	14	3.56	-	-	-	-	-	-	-	-
2001	3,774	3,269	505	60	108	3.01	-	-	-	-	-	-	-	-
2002	4,255	3,563	692	160	184	2.01	-	-	-	-	-	-	-	-
2003	5,060	3,901	1,159	175	175	3.31	-	-	-	-	2,844	570	875	1.97
2004	7,073	4,602	2,471	110	670	3.17	786	300	486	1.00	3,255	345	706	3.10
2005	7,464	5,220	2,244	850	1,212	1.09	899	430	469	1.00	3,659	360	692	3.48
2006	9,366	5,307	4,059	875	1,183	1.97	710	265	445	1.00	4,926	370	679	4.70
2007	10,165	6,921	3,244	930	1,153	1.56	806	375	431	1.00	6,481	385	566	6.81

CITY OF SOUTH JORDAN
Pledged-Revenue Coverage (continued)
Last Ten Fiscal Years
(dollars in thousands)

MBA Lease Revenue Bonds					Excise Tax Road Bond				Tax Increment Revenue Bond			
Fiscal Year	Sales & Use Tax	Debt Service			Class C Road Funds Revenue	Debt Service			Project 5 Revenues	Debt Service		
		Principal	Interest	Coverage		Principal	Interest	Coverage		Principal	Interest	Coverage
1998	\$ 231	\$ 162	\$ 69	1.00	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-
1999	232	171	61	1.00	-	-	-	-	-	-	-	-
2000	232	180	52	1.00	-	-	-	-	-	-	-	-
2001	236	193	43	1.00	220	-	75	2.95	-	-	-	-
2002	235	202	33	1.00	1,324	225	131	3.72	-	-	-	-
2003	407	209	198	1.00	1,072	240	120	2.98	304	-	67	4.50
2004	640	226	414	1.00	1,308	255	107	3.61	378	-	154	2.46
2005	724	325	399	1.00	1,415	265	95	3.93	464	176	150	1.42
2006	2,026	1,435	591	1.00	1,324	280	82	3.65	-	-	-	-
2007	2,179	1,465	714	1.00	1,587	290	69	4.42	-	-	-	-

Source: The City of South Jordan

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

CITY OF SOUTH JORDAN
Demographic and Economic Statistics
Last Ten Calander Years

Calender Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
1998	25,994	\$ 487,728,495	\$ 18,763	2.2%
1999	27,715	558,960,712	20,168	2.2%
2000	29,437	594,744,589	20,204	2.0%
2001	31,679	635,014,162	20,045	2.8%
2002	33,920	656,009,242	19,340	3.8%
2003	36,162	688,342,101	19,035	3.7%
2004	39,500	781,497,383	19,785	3.3%
2005	43,959	902,075,716	20,521	2.8%
2006	46,086	983,262,530	21,335	2.3%
2007	48,340	1,071,756,158	22,171	1.6%

Sources: Unemployment rate - www.bls.gov/data/home.htm
 Personal income - www.tax.utah.gov/esu/income

CITY OF SOUTH JORDAN

Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	2007			1998		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Jordan School District	986	1	7.81%			
Merit Medical	857	2	6.79%	448	2	6.31%
Ultradent Products	750	3	5.94%	340	3	4.79%
City of South Jordan	374	4	2.96%			
Walmart	359	5	2.84%			
Landesk Software	335	6	2.65%			
Life Time Fitness	270	7	2.14%			
MegaPlex 20	264	8	2.09%			
Hewlett Packard	250	9	1.98%			
iBan General Holdings Corp.	229	10	1.81%			
Matrixx				1014	1	14.28%
Smith's				120	4	1.69%
Bill Good Marketing				82	5	1.16%
Denny's				60	6	0.85%
McDonalds				60	7	0.85%
Parson Engineering				40	8	0.56%
Pizza Hut				25	9	0.35%
Federal Land Bank				23	10	0.32%
Total	<u>4,674</u>		<u>37.04%</u>	<u>2,212</u>		<u>31.16%</u>

Source: The City of South Jordan

CITY OF SOUTH JORDAN

Full-time-Equivalent City Government Employees by Function/Program Last Ten Fiscal Years

Function/Program	Full-time-Equivalent Employees as of June 30									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 ¹
General government	7.5	6.5	4.5	9.5	6.5	11	6	5.5	9.75	8.25
Management services	-	-	-	6	12	11.5	20.5	18.5	20.5	23
Finance	7	7	6	5	4	5	4	7	5	8
Planning	5	5	5	6	6	9	6	9	7	5
Building	7	5	5	5	5	7	7	8	8	10
Legal ²										6
Municipal Court ²										7.8
Other	3	3	4	4.75	5.75	7	7	7	7	11
Police										
Officers	26	25	29	26	37	37	37	43	41	48
Civilians	7.5	7.75	9	8.5	10.5	12	13.75	18.5	19.25	10.75
Fire										
Firefighters and officers	20.5	21	30	28	38	34	34	34	44	42
Civilians	1	1.5	1.5	1.5	1.5	-	-	0.5	1.5	2
Refuse collections	-	-	-	-	1	1	1	1	1	2
Other public works										
Engineering	6	7	6	8	8	10	11	12.75	15.5	19.5
Streets ²										12
Storm Drain ²										5
Other	5	4	11	13	20	26	20	32	39	12
Redevelopment	1	1	1	-	2	-	1.5	1.5	1	1
Parks and recreation	6	10	7	6	9	20.5	22	76	76.5	45.5
Library	-	-	-	-	-	-	-	-	-	-
Water	9	11	10	11	11.5	13	14	14	14	17
Wastewater	-	-	-	-	-	-	-	-	-	-
Transit	-	-	-	-	-	-	-	-	-	-
Total	<u>111.5</u>	<u>114.75</u>	<u>129</u>	<u>138.25</u>	<u>177.75</u>	<u>204</u>	<u>204.75</u>	<u>288.25</u>	<u>310</u>	<u>295.8</u>

Source: The City of South Jordan HR Department

¹ Reporting modified to match actual City budgets, breakout additional functions, and not include seasonal employees

² New function breakout

CITY OF SOUTH JORDAN
Operating Indicators by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General government										
Building permits issued	663	565	713	652	842	1,084	1,380	1,522	1,772	1,678
Building inspections conducted	8,429	9,366	10,407	11,563	14,631	24,918	29,077	34,368	46,760	55,350
Police										
Physical arrests	690	782	534	1,176	964	922	1,060	988	1,008	984
Parking violations	120	120	356	140	179	130	246	454	586	902
Traffic violations	6,061	6,349	6,073	11,971	12,039	12,944	13,785	14,179	12,485	11,466
Fire										
Emergency responses	1,073	N/A	1,223	1,290	1,544	1,803	1,790	1,886	2,174	2,256
Fires extinguished	81	N/A	60	67	114	101	147	132	134	146
Inspections	736	N/A	1,343	1,079	1,310	1,631	1,669	2,148	2,860	2,127
Other public works										
Street resurfacing (miles)	2	2	2	2	2	2	3	4	6	39
Potholes repaired	1,110	1,110	1,290	1,555	1,571	1,745	1,876	1,934	2,080	1,700
Parks and recreation										
Athletic field permits issued	6	6	6	6	6	6	6	6	6	7
Community center admissions	-	-	-	-	-	4,960	5,109	5,262	5,420	5,583
Water										
New connections	640	507	213	246	419	1294	280	820	905	1035
Water main breaks	150	150	150	150	200	150	150	150	132	74
Average daily consumptions (thousands of gallons)	7,368	7,387	8,187	8,056	7,727	7,591	8,014	7,645	9,547	12,431
Peak daily consumption (thousands of gallons)	16,900	16,991	18,830	18,528	17,772	17,459	18,433	17,583	22,148	24,194

Sources: The City of South Jordan

Notes: Fire Department had no information for 1999, and Community center admissions is an estimate

CITY OF SOUTH JORDAN
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	2
Sub station	-	-	-	-	1	1	1	1	1	-
Patrol units	19	23	26	29	33	34	38	44	44	49
Fire Stations	1	1	1	1	2	2	2	2	2	2
Other public works										
Streets (miles)	107	107	125	150	151	166	178	183	196	211
Streetlights	810	1,060	1,085	2,071	2,111	2,123	2,150	2,477	3,785	3,965
Storm Drain (miles)	38	43	50	65	68	73	78	89	96	105
Traffic signals	5	8	8	8	9	9	10	10	12	15
Parks and recreation										
Acreage	107	111	153	180	210	260	260	298	388	388
Playgrounds	8	9	10	11	12	13	14	15	16	16
Baseball/softball diamonds	9	9	9	9	9	9	9	9	9	9
Soccer/football fields	5	5	5	5	5	5	9	9	9	9
Community centers	-	-	-	-	-	1	1	1	1	1
Water										
Culinary Water Lines (miles)	128	128	150	160	161	172	187	219	244	267
Irrigation Water Lines (miles)	67	67	100	105	105	85	86	93	95	101
Fire Hydrants	1,501	1,560	1,611	1,680	1,811	1,894	1,894	2,115	2,416	2,475
Storage capacity (thou. of gallons)	-	-	-	-	-	-	-	14,000	14,000	18,000

Sources: The City of South Jordan

**INTERNAL CONTROL
AND
COMPLIANCE REPORTS**



GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION

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INDEPENDENT AUDITOR'S REPORT ON LEGAL COMPLIANCE WITH APPLICABLE UTAH STATE LAWS AND REGULATIONS

Honorable Mayor and City Council
City of South Jordan
South Jordan, UT

December 12, 2007

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of City of South Jordan for the year ended June 30, 2007, and have issued our report thereon dated December 12, 2007. As part of our audit, we have audited City of South Jordan's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; special tests and provisions applicable to each of its major state assistance programs as required by the State of Utah's Legal Compliance Audit Guide for the year ended June 30, 2007. The City received the following major state assistance programs from the State of Utah:

Class "C" Road Funds (Department of Transportation)
Liquor Funds (Utah State Tax Commission)

The City also received the following nonmajor grants which are not required to be audited for specific compliance requirements: (However, these programs were subject to test work as part of the audit of the City of South Jordan's financial statements.)

Library Service Development (State Library)
Emergency Medical Services (Department of Health)
Historical Grant (Department of Community & Economic Development)

Our audit also included test work on the City's compliance with those general compliance requirements identified in the Compliance Manual for Audits of Local Governments in Utah including:

Public Debt	Justice Courts
Cash Management	B & C Road Funds
Purchasing Requirements	Special Districts
Budgetary Compliance	Other Compliance Requirements
Property Tax	Department of Commerce - Building Permits
Liquor Law Enforcement	Impact Fees
	Asset Forfeitures

The management of the City of South Jordan is responsible for the City's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

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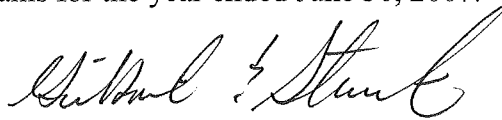
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We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, the City of South Jordan complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major state assistance programs for the year ended June 30, 2007.

A handwritten signature in dark ink, appearing to read 'Gilbert & Stewart', is written above the firm's name.

GILBERT & STEWART

Certified Public Accountants

GILBERT & STEWART

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REPORT IN INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and City Council
City of South Jordan
South Jordan, UT

December 12, 2007

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of South Jordan as of and for the year ended June 30, 2007, and have issued our report thereon dated December 12, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of South Jordan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the City of South Jordan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of South Jordan's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of South Jordan's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of South Jordan's financial statements that is more than inconsequential will not be prevented or detected by the City of South Jordan's internal control. We noted certain deficiencies in internal control that we considered to be significant deficiencies. We have reported those to management in a separate letter dated December 12, 2007.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of South Jordan's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of South Jordan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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This report is intended solely for the information of management, City Council, and Utah State Auditor and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signatures of Gilbert and Stewart in cursive script.

GILBERT & STEWART
Certified Public Accountants